



Honorable Mayor and City Council  
City of Ripon, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of City of Ripon, Wisconsin, as of and for the year ended December 31, 2024, and have issued our report thereon dated October 29, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our engagement letter dated October 23, 2024. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant audit findings or issues**

#### ***Qualitative aspects of accounting practices***

##### *Accounting policies*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by City of Ripon, Wisconsin, are described in Note 1 to the financial statements.

As described in Note 4.F, the entity changed accounting policies related to accounting changes and error corrections by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 100, *Accounting Changes and Error Corrections*, in 2024. Accordingly, the changes in major and nonmajor funds were shown as an adjustment to the beginning fund balance on the statement of revenues, expenditures, and changes in fund balance.

The City also changed accounting policies related to compensated absences by adopting Statement of Governmental Accounting Standards Board (GASB Statement) No. 101, *Compensated Absences*, as of January 1, 2024. The impact of adoption was immaterial to the financial statements.

We noted no transactions entered into by the entity during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

##### *Accounting estimates*

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

##### *Financial statement disclosures*

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

***Difficulties encountered in performing the audit***

We encountered no significant difficulties in dealing with management in performing and completing our audit.

***Uncorrected misstatements***

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements taken as a whole. The following summarizes uncorrected misstatements of the financial statements:

- The City has passed on recording a right to use leased asset of \$113,965 and a liability of \$116,853 in the business-type activities. In the Water Utility, assets are understated by \$96,331, liabilities by \$98,607 and net position is overstated by \$2,276. In the Wastewater Utility, assets are understated by \$17,634, liabilities by \$18,246 and net position is overstated by \$612.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

***Corrected misstatements***

The following material misstatements detected as a result of audit procedures were corrected by management:

- Recorded adjustments related to the Wisconsin Retirement System in accordance with GASB Statement No. 68.
- Recorded adjustments related to the Wisconsin Local Retiree Life Insurance Fund in accordance with GASB Statement No. 75.
- Recorded depreciation on water and sewer assets.
- Recorded additions and disposals for capital assets.
- Recorded CDBG cash activity.
- Recorded library cash activity.
- Recorded fair market value adjustments for investments.
- Recorded adjustments to receivables and payables.

***Disagreements with management***

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

***Circumstances that affect the form and content of the auditors' report***

As previously communicated to you, the report was modified to include an emphasis of matter paragraph to highlight the change in accounting policies related to the adoption of the new accounting guidance for accounting changes and error corrections as follows:

As described in Note 4.F, effective December 31, 2024, the City changed accounting policies related to accounting changes and error corrections by adopting Governmental Accounting Standards Board Statement (GASB Statement) No. 100, *Accounting Changes and Error Corrections*, in 2024. Our opinions are not modified with respect to this matter.

***Management representations***

We have requested certain representations from management that are included in the attached management representation letter dated October 29, 2025.

***Management consultations with other independent accountants***

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the entity's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

***Significant issues discussed with management prior to engagement***

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the entity's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

***Other audit findings or issues***

We have provided a separate communication to you dated October 29, 2025, communicating internal control related matters identified during the audit.

***Required supplementary information***


With respect to the required supplementary information (RSI) accompanying the financial statements, we made certain inquiries of management about the methods of preparing the RSI, including whether the RSI has been measured and presented in accordance with prescribed guidelines, whether the methods of measurement and preparation have been changed from the prior period and the reasons for any such changes, and whether there were any significant assumptions or interpretations underlying the measurement or presentation of the RSI. We compared the RSI for consistency with management's responses to the foregoing inquiries, the basic financial statements, and other knowledge obtained during the audit of the basic financial statements. Because these limited procedures do not provide sufficient evidence, we did not express an opinion or provide any assurance on the RSI.

**Supplementary information in relation to the financial statements as a whole**

With respect to the nonmajor fund combining statements and the schedules (collectively, the supplementary information) accompanying the financial statements, on which we were engaged to report in relation to the financial statements as a whole, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period or the reasons for such changes, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves. We have issued our report thereon dated October 29, 2025.

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This communication is intended solely for the information and use of the City Council and management of City of Ripon, Wisconsin, and is not intended to be, and should not be, used by anyone other than these specified parties.



**CliftonLarsonAllen LLP**

Green Bay, Wisconsin  
October 29, 2025

**SUMMARY FINANCIAL INFORMATION**

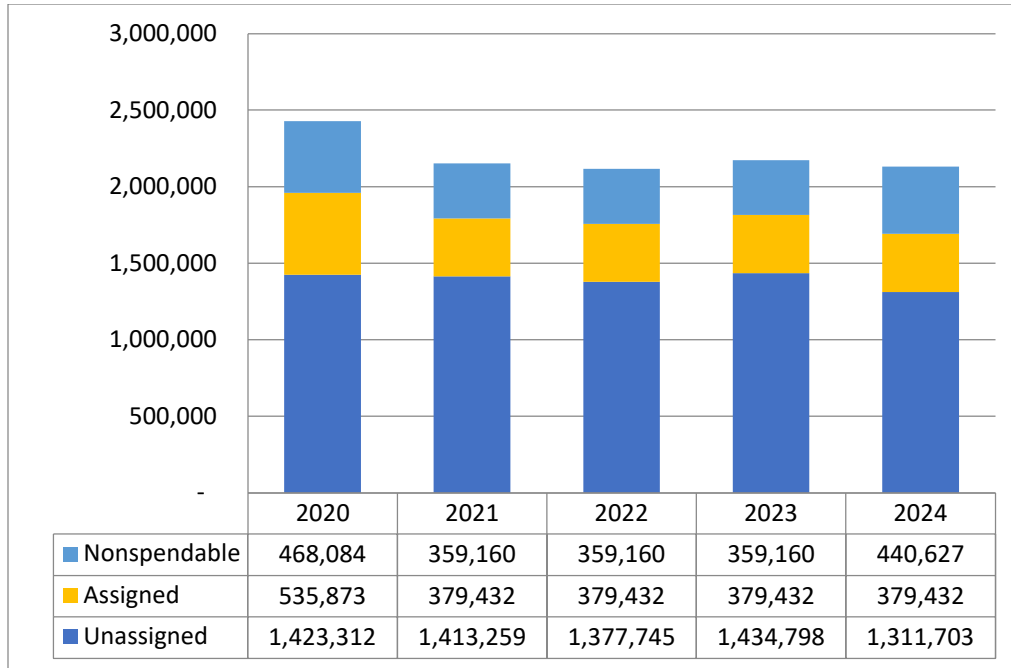
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**Governmental Fund Balances**

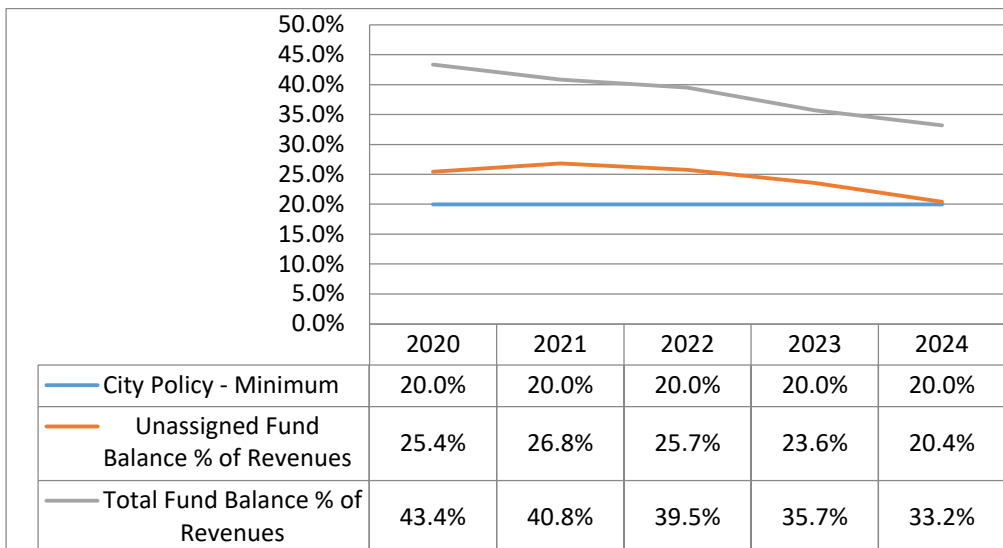
Presented below is a summary of the City’s governmental fund balances on December 31, 2024 and 2023. This information is provided for assessing financial results for 2024 and for indicating financial resources available at the start of the 2025 budget year.

	<u>2024</u>	<u>2023</u>
Governmental Funds:		
General Fund:		
Nonspendable:		
Prepaid Supplies and Items	\$ 87,245	\$ 5,778
Long-Term Advance	353,382	353,382
Assigned for:		
Future Capital Projects	239,432	239,432
Industrial Park Development	140,000	140,000
Unassigned	<u>1,311,703</u>	<u>1,434,798</u>
Total General Fund	2,131,762	2,173,390
Special Revenue Funds:		
CDBG Revolving Loan	(7,578)	(7,608)
CDBG Housing	38,894	73,904
Emergency Medical Services	366,462	362,392
Library	1,134,164	859,042
Community Promotion	244,963	234,148
Donations	130,161	132,470
Taxi	(338,761)	(302,468)
City Revolving Loans	105,323	29,259
Equipment Replacement	46,387	45,797
Recycling	<u>(33,430)</u>	<u>(17,430)</u>
Total Special Revenue Funds	1,686,585	1,409,506
Debt Service Fund:		
Restricted for:		
General Debt Service	27,858	810,649
Capital Project Funds:		
TID No. 4	-	(88)
TID No. 5	2,750	-
TID No. 7	(1,094,266)	(922,943)
TID No. 9	463,261	449,182
TID No. 10	760,582	550,346
TID No. 11	3,704,694	3,660,179
TID No. 12	-	202,837
TID No. 14	415,250	627,301
TID No. 15	(355,650)	(397,924)
General Capital Projects	<u>(759,325)</u>	<u>(2,717,000)</u>
Total Capital Project Funds	3,137,296	1,451,890
Total Governmental Fund Balances	<u>\$ 6,983,501</u>	<u>\$ 5,845,435</u>

The City's General Fund is comprised of the following components:



The City's fund balance policy indicates that the minimum unassigned fund balance is expected to be 20% of the General Fund's operating revenues. The City's current unassigned General Fund balance of \$1,311,703 represents approximately 20% of the General Fund operating revenues for 2024. The following graph presents a comparison of the City's unassigned General Fund balance to the General Fund operating revenues balance and the City's minimum fund balance policy. The relationship between the unassigned General Fund balance and the General Fund operating revenues is a positive financial indicator that the City's General Fund continues to be in a strong financial condition.



**Water Utility**

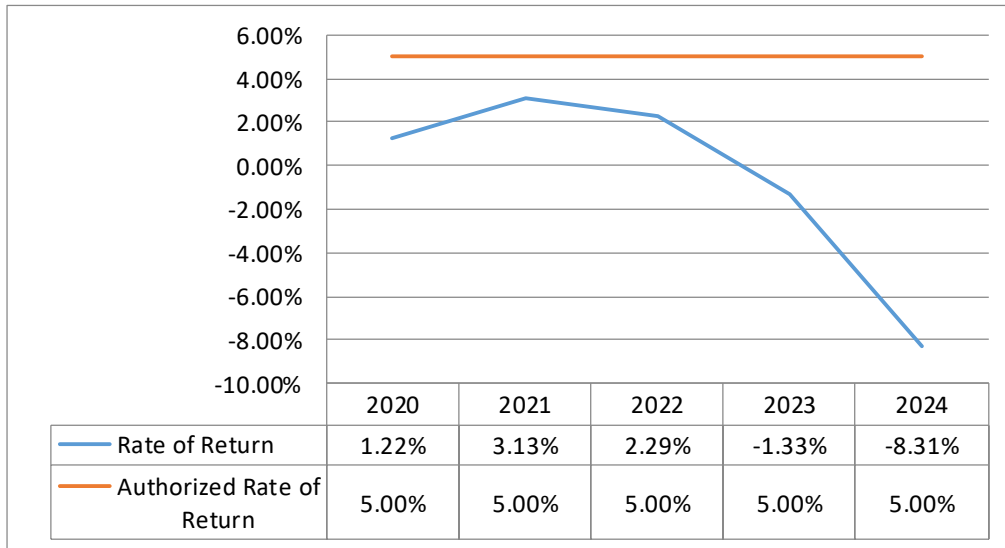
A comparative summary of the Water Utility's change in net position for the years ended December 31, 2024 and 2023, appears below:

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Charges for Services	\$ 1,356,780	\$ 1,313,755
Other	16,942	13,481
Total Operating Revenues	<u>1,373,722</u>	<u>1,327,236</u>
Operating Expenses:		
Operation and Maintenance	1,036,743	1,112,319
Depreciation	207,771	200,188
Taxes	20,200	19,957
Total Operating Expenses	<u>1,264,714</u>	<u>1,332,464</u>
Operating Income (Loss)	109,008	(5,228)
Non-Operating Revenues (Expenses):		
Interest Income	4,289	14,284
Interest and Fiscal Charges	(34,121)	(39,335)
Amortization of Debt Discount/Premium	3,528	4,114
Total Non-Operating Revenues (Expenses)	<u>(26,304)</u>	<u>(20,937)</u>
Income (Loss) Before Contributions and Transfers	82,704	(26,165)
Capital Contributions	639,512	108,651
Transfers In	82,492	32,614
Transfers Out	<u>(151,977)</u>	<u>(101,464)</u>
Changes in Net Position	<u>\$ 652,731</u>	<u>\$ 13,636</u>

The Water Utility had an operating gain of \$109,008 for the year ended December 31, 2024, compared to operating loss of \$5,228 in 2023. In addition, to further assist in evaluating the operating activities, the Water Utility's rate of return is presented below.

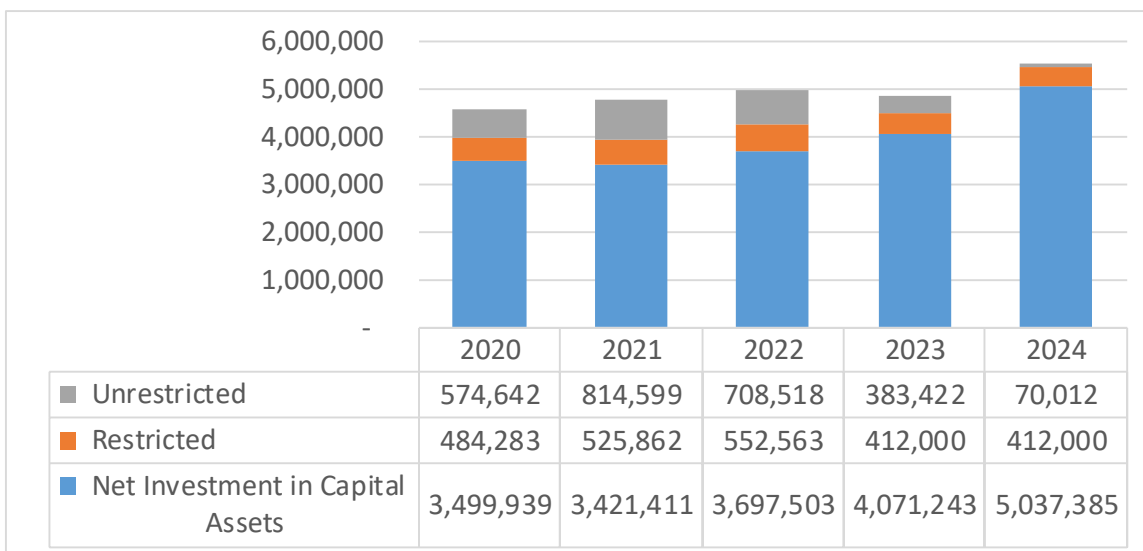
**Rate of Return**

Presented below is the calculation of the rate of return for the utility based on the format used by the Wisconsin Public Service Commission (PSC):



The Water Utility should continue to monitor the rate of return, operating income, and cash flow in conjunction with future capital project plans.

The City's Water Utility net position is comprised of the following components:

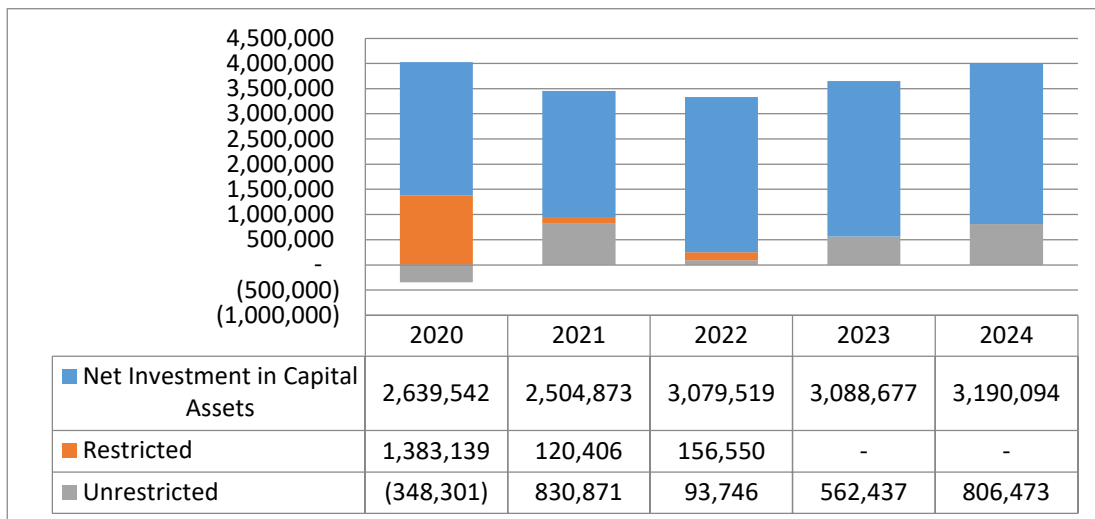


**Wastewater Utility**

A comparative summary of the Wastewater Utility’s change in net position for the years ended December 31, 2024 and 2023, appears below:

	<u>2024</u>	<u>2023</u>
Operating Revenues:		
Charges for Services	\$ 1,623,992	\$ 1,659,709
Other	54	509
Total Operating Revenues	<u>1,624,046</u>	<u>1,660,218</u>
Operating Expenses:		
Operation and Maintenance	1,281,114	1,316,145
Depreciation	147,507	139,813
Total Operating Expenses	<u>1,428,621</u>	<u>1,455,958</u>
Operating Income	195,425	204,260
Nonoperating Revenues (Expenses):		
Interest Income	2,135	963
Interest and Fiscal Charges	(8,075)	(8,764)
Total Nonoperating Revenues (Expenses)	<u>(5,940)</u>	<u>(7,801)</u>
Income Before Contributions and Transfers	189,485	196,459
Capital Contributions	143,540	74,340
Transfer In	36,874	54,036
Transfers Out	(24,446)	(3,536)
Change in Net Position	<u>\$ 345,453</u>	<u>\$ 321,299</u>

For 2024, the Utility experienced operating income of \$195,425 compared to an operating income of \$204,260 for the prior year. Operating revenues decrease by \$36,172 over the prior year, while operating expenses decrease \$27,337. The City’s wastewater utility net position is comprised of the following components:





# CITY OF RIPON

100 Jackson Street \* Ripon, WI 54971-1396

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October 29, 2025

CliftonLarsonAllen LLP  
1175 Lombardi Avenue, Suite 200  
Green Bay, WI 54304

This representation letter is provided in connection with your audit of the financial statements of City of Ripon, Wisconsin, which comprise the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, as of October 29, 2025, the following representations made to you during your audit.

## Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated October 3, 2024, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP. The financial statements include all properly classified funds and other financial information of the primary government and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
2. We acknowledge and have fulfilled our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
5. Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.

6. Related party relationships and transactions, including, but not limited to, revenues, expenditures/expenses, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from or payable to related parties have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
7. All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
8. The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements for each opinion unit. The City has passed on recording a right to use leased asset of \$113,965 and a liability of \$116,853 in the business-type activities. In the Water Utility, assets are understated by \$96,331, liabilities by \$98,607 and net position is overstated by \$2,276. In the Wastewater Utility, assets are understated by \$17,634, liabilities by \$18,246 and net position is overstated by \$612. In addition, you have proposed adjusting journal entries that have been posted to the entity's accounts, including adjusting journal entries to convert our cash basis records to the accrual basis. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
9. We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
10. Guarantees, whether written or oral, under which the entity is contingently liable, if any, have been properly recorded or disclosed in accordance with U.S. GAAP.
11. Receivables recorded in the financial statements represent valid claims against debtors for transactions arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
12. The methods and significant assumptions used to determine fair values of financial instruments are as follows: fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The methods and significant assumptions used result in a measure of fair value appropriate for financial statement measurement and disclosure purposes.
13. We have appropriately identified, recorded, and disclosed all leases, including any material embedded leases contained within other contracts, in accordance with GASB Statement No. 87, *Leases*.
14. We have appropriately identified, recorded, and disclosed all subscription-based information technology arrangements in accordance with GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*.
15. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or equity.

16. Capital assets have been evaluated for impairment as a result of significant and unexpected decline in service utility. Impairment loss and insurance recoveries have been properly recorded.
17. We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefits (OPEB) liabilities and costs for financial accounting purposes are appropriate in the circumstances.
18. We do not plan to make frequent amendments to our pension or other postretirement benefit plans.

#### **Information Provided**

1. We have provided you with:
  - a. Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
  - b. Additional information that you have requested from us for the purpose of the audit.
  - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
  - d. Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
2. All material transactions have been recorded in the accounting records and are reflected in the financial statements.
3. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
4. We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - a. Management;
  - b. Employees who have significant roles in internal control; or
  - c. Others when the fraud could have a material effect on the financial statements.
5. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
6. We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or waste or abuse whose effects should be considered when preparing financial statements.


7. We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
8. There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
9. We have disclosed to you the identity of all the entity's related parties and all the related party relationships and transactions of which we are aware, including any side agreements.
10. The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
11. We have a process to track the status of audit findings and recommendations.
12. We have identified to you any previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
13. We have provided our views on reported findings, conclusions, and recommendations, as well as our planned corrective actions, for the report.
14. We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to City of Ripon, Wisconsin, including tax or debt limits and debt contracts; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives, including legal and contractual provisions for reporting specific activities in separate funds.
15. There are no violations or possible violations of budget ordinances, laws and regulations (including those pertaining to adopting, approving, and amending budgets), provisions of contracts and grant agreements, tax or debt limits, and any related debt covenants whose effects should be considered for disclosure in the financial statements, or as a basis for recording a loss contingency, or for reporting on noncompliance.
16. The entity has complied with all aspects of contractual or grant agreements that would have a material effect on the financial statements in the event of noncompliance.
17. We have followed all applicable laws and regulations in adopting, approving, and amending budgets.
18. The financial statements include all component units as well as joint ventures with an equity interest, and properly disclose all other joint ventures, jointly governed organizations, and other related organizations.
19. The financial statements properly classify all funds and activities.

20. All funds that meet the quantitative criteria in GASB Statement Nos. 34 and 37 for presentation as major are identified and presented as such and all other funds that are presented as major are particularly important to financial statement users.
21. Components of net position (net investment in capital assets; restricted; and unrestricted) and classifications of fund balance (nonspendable, restricted, committed, assigned and unassigned) are properly classified and, if applicable, approved.
22. Investments, derivative instruments, and land and other real estate held by endowments are properly valued.
23. Expenses have been appropriately classified in or allocated to functions and programs in the statement of activities, and allocations have been made on a reasonable basis.
24. Provisions for uncollectible receivables has been properly identified and recorded.
25. Revenues are appropriately classified in the statement of activities within program revenues and general revenues.
26. Interfund, internal, and intra-entity activity and balances have been appropriately classified and reported.
27. Deposits and investment securities and derivative instruments are properly classified as to risk and are properly valued and disclosed.
28. Capital assets, including infrastructure and intangible assets, are properly capitalized, reported, and, if applicable, depreciated.
29. We have appropriately disclosed the entity's policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available and have determined that net position is properly recognized under the policy.
30. We have appropriately disclosed the entity's accounting policy regarding which resources (that is, restricted, committed, assigned, or unassigned) are considered to be spent first for expenditures for which more than one resource classification is available. That policy determines the fund balance classifications for financial reporting purposes.
31. We acknowledge our responsibility for the required supplementary information (RSI). The RSI is measured and presented within prescribed guidelines and the methods of measurement and presentation have not changed from those used in the prior period. We have disclosed to you any significant assumptions and interpretations underlying the measurement and presentation of the RSI.
32. We acknowledge our responsibility for presenting the nonmajor fund combining statements, individual fund statements, and the supporting schedules (the supplementary information) in accordance with U.S. GAAP, and we believe the supplementary information, including its form and content, is fairly presented in accordance with U.S. GAAP. The methods of measurement and presentation of the supplementary

information have not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information. If the supplementary information is not presented with the audited financial statements, we will make the audited financial statements readily available to the intended users of the supplementary information no later than the date we issue the supplementary information and the auditors' report thereon.

33. In regards to the preparation of financial statements, related notes, and supplementary information and routine journal entry services performed by you, we have:
- a. Made all management judgments and decisions and assumed all management responsibilities.
  - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
  - c. Evaluated the adequacy and results of the services performed.
  - d. Accepted responsibility for the results of the services.
  - e. Ensured that the entity's data and records are complete and received sufficient information to oversee the services.

Signature:  Title: City Administrator

Signature:  Title: Finance Director  
Assistant City Administrator