

**CITY OF RIPON, WISCONSIN**  
**FINANCIAL STATEMENTS AND**  
**SUPPLEMENTARY INFORMATION**  
**YEAR ENDED DECEMBER 31, 2021**



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## INDEPENDENT AUDITORS' REPORT

Mayor and City Council  
City of Ripon, Wisconsin

### Report on the Audit of the Financial Statements

#### **Opinions**

We have audited the accompanying 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 the City of Ripon, Wisconsin, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Ripon, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, 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 of the City of Ripon, Wisconsin, as of December 31, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Ripon, Wisconsin and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of Ripon, Wisconsin's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements 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.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of City of Ripon, Wisconsin's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about City of Ripon, Wisconsin's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 12 and the schedules relating to pensions and other postemployment benefits on pages 79 and 81 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Ripon, Wisconsin's basic financial statements. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the financial information listed in the table of contents as supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2022, on our consideration of the City of Ripon, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Ripon, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Ripon, Wisconsin's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
November 18, 2022

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# City of Ripon, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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As management of the City of Ripon, Wisconsin, we offer readers of the City's basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2021.

### Financial Highlights

- The assets and deferred outflow of resources of the City exceeded its liabilities and deferred inflows of resources as of December 31, 2021 by \$22.0 million (*net position*).
- As of December 31, 2021, the City's governmental funds reported combined ending fund balances of \$6,523,709, a decrease of \$1,331,422 in comparison with the prior year.
- As of December 31, 2021, unassigned fund balance for the general fund was \$1,413,259 or approximately 25% of total general fund expenditures.
- The City's total general-obligation debt decreased by \$92,551 (1%) during 2021. The revenue bonds in the City's business-type activities debt decreased by \$788,338.

### Overview of the Basic Financial Statements

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the City's assets, liabilities and deferred inflows and outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety, public works, health and human services, culture and recreation, and conservation and development. The business-type activities of the City include the water and wastewater activities.

The government-wide financial statements can be found on pages 14 - 15 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.



# City of Ripon, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the City's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains twenty four individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the general fund, TID No.11 downtown business fund, general debt service fund, and the general capital projects fund, which are considered to be major funds. Data from the other remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining* statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 16 - 20 of this report.

**Proprietary funds.** The City maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for its water and wastewater utilities. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses an internal service fund to account for its health insurance costs. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and wastewater utility funds, both of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 21 - 25 of this report.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 26 - 27 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 30 - 77 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements and schedules can be found on pages 87 - 94 of this report. General Fund detailed comparison of budgeted and actual revenues and expenditures can be found on pages 84 - 86 of this report.

# City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021

## Government-wide Financial Analysis

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$22.0 million at the close of 2021, an increase of \$679,910 over the prior year.

City of Ripon's Net Position (in thousands of dollars)						
	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$16,663,701	\$16,552,424	\$ 2,736,576	\$ 1,058,728	\$19,400,277	\$17,611,152
Restricted cash	-	-	412,000	1,712,895	412,000	1,712,895
Capital assets	16,782,706	15,515,336	10,279,708	9,810,862	27,062,414	25,326,198
Total Assets	33,446,407	32,067,760	13,428,284	12,582,485	46,874,691	44,650,245
Deferred outflows of resources	2,415,779	1,720,744	427,774	376,873	2,843,553	2,097,617
Current liabilities	1,439,091	488,909	245,338	72,103	1,684,429	561,012
Long-term liabilities outstanding	12,574,836	13,153,443	4,867,856	4,178,151	17,442,692	17,331,594
Total Liabilities	14,013,927	13,642,352	5,113,194	4,250,254	19,127,121	17,892,606
Deferred inflows of resources	8,046,258	7,039,283	524,842	475,860	8,571,100	7,515,143
Net Position						
Net investment in capital assets	8,749,389	9,174,365	5,926,284	6,139,481	14,675,673	15,313,846
Restricted	3,598,823	3,133,720	646,268	1,867,422	4,245,091	5,001,142
Unrestricted (Deficit)	1,453,789	798,784	1,645,470	226,341	3,099,259	1,025,125
Total Net Position	\$13,802,001	\$13,106,869	\$ 8,218,022	\$ 8,233,244	\$22,020,023	\$21,340,113

By far the largest portion of the City's net position (\$14.7 million) reflects its investment in capital assets (e.g. land, buildings, machinery and equipment, infrastructure, etc.), less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position (\$4.2 million) represents resources that are subject to external restrictions on how they may be used. The remaining amount of \$3.1 million is the net amount that may be used to meet the City's obligations.

# City of Ripon, Wisconsin

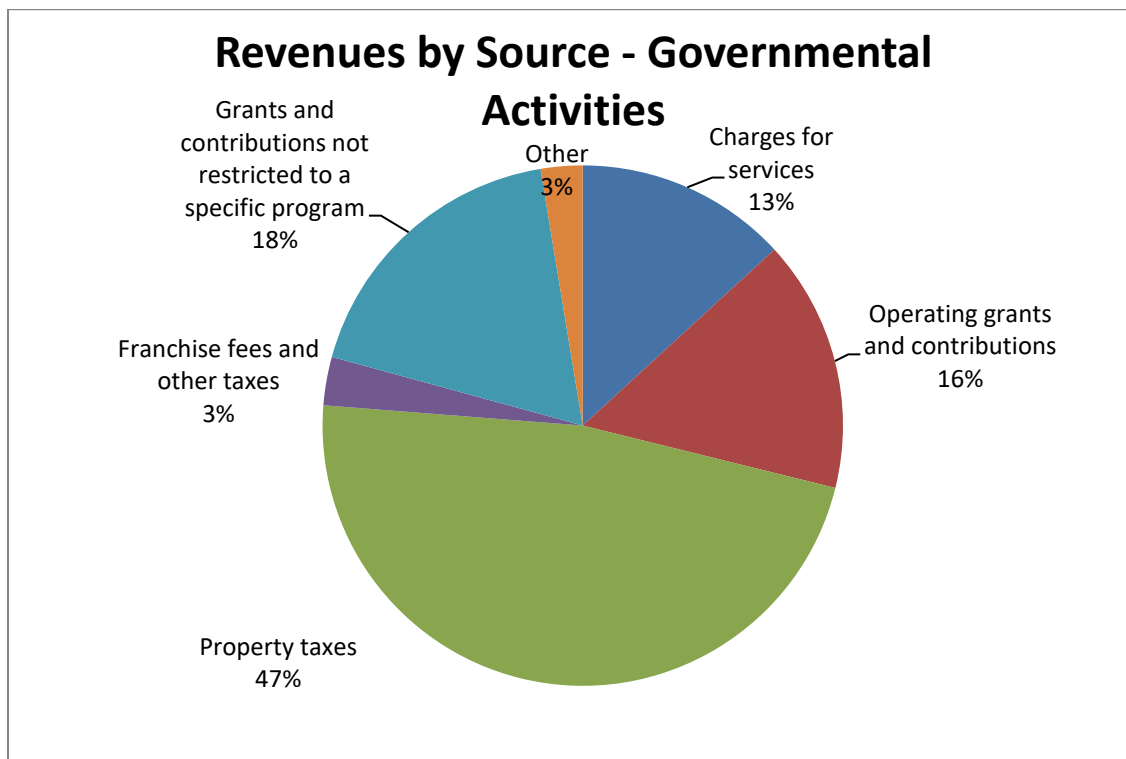
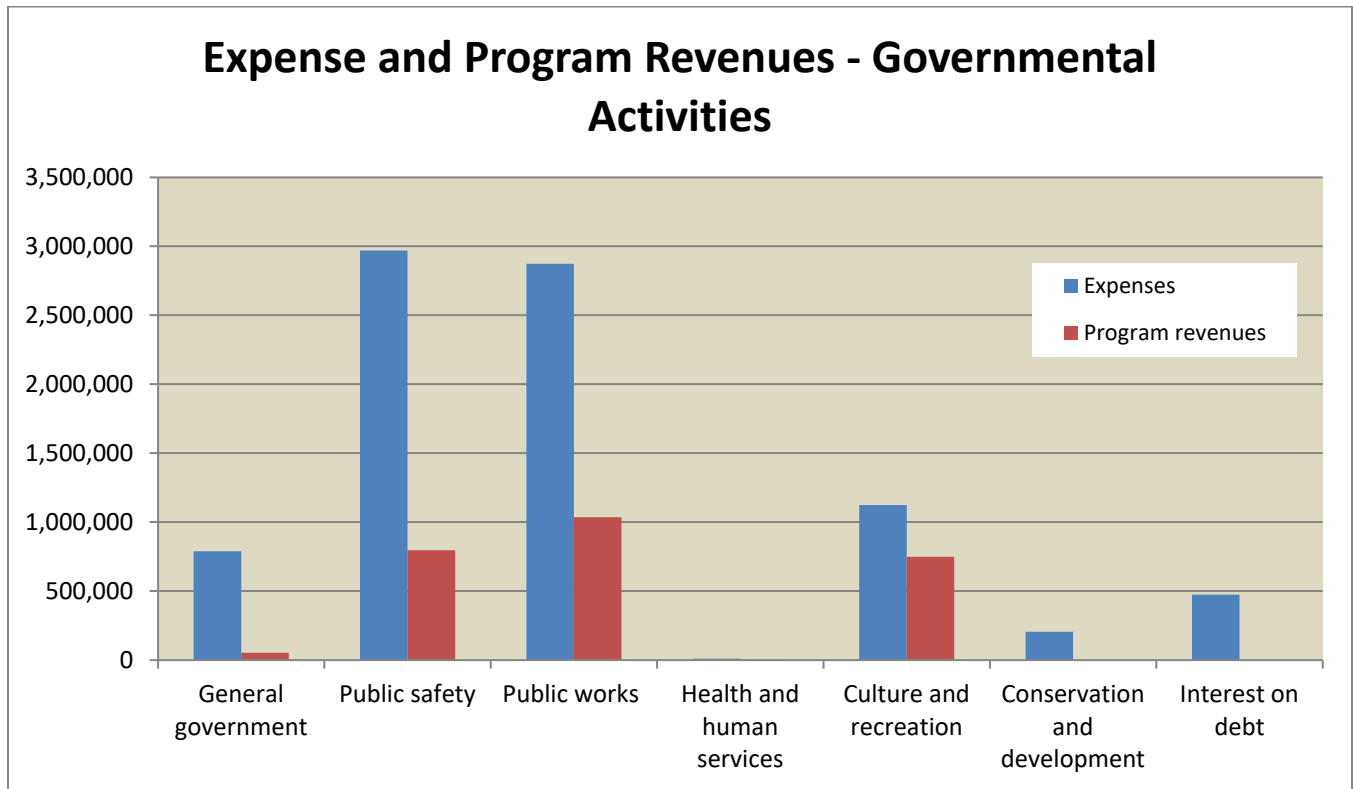
## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

**Change in net position.** Governmental activities increased the City's net position by \$695,132, and business-type activities decreased the City's net position by \$15,222.

City of Ripon's Change in Net Position (In thousands of dollars)						
	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for services	\$ 1,222,464	\$ 1,488,081	\$ 2,590,457	\$ 2,372,596	\$ 3,812,921	\$ 3,860,677
Operating grants and contributions	1,208,694	1,005,161	-	-	1,208,694	1,005,161
Capital grants and contributions	293,456	13,897	-	-	293,456	13,897
<b>General Revenues</b>						
Property taxes	4,875,903	4,889,851	-	-	4,875,903	4,889,851
Other taxes	200,099	244,673	-	-	200,099	244,673
Grants and contributions not restricted to specific programs	1,736,962	1,882,973	-	1,736	1,736,962	1,884,709
Other	152,811	256,619	90,489	32,899	243,300	289,518
<b>Total Revenues</b>	<b>9,690,389</b>	<b>9,781,255</b>	<b>2,680,946</b>	<b>2,407,231</b>	<b>12,371,335</b>	<b>12,188,486</b>
<b>Expenses</b>						
General government	1,115,637	905,718	-	-	1,115,637	905,718
Public safety	2,952,321	3,069,310	-	-	2,952,321	3,069,310
Public works	2,857,497	3,016,052	-	-	2,857,497	3,016,052
Health and human services	65,421	116,178	-	-	65,421	116,178
Culture and recreation	996,566	1,038,900	-	-	996,566	1,038,900
Conservation and development	733,532	159,618	-	-	733,532	159,618
Interest on long-term debt	419,283	389,658	-	-	419,283	389,658
Wastewater utility	-	-	1,426,608	1,188,861	1,426,608	1,188,861
Water utility	-	-	1,124,560	1,196,337	1,124,560	1,196,337
<b>Total Expenses</b>	<b>9,140,257</b>	<b>8,695,434</b>	<b>2,551,168</b>	<b>2,385,198</b>	<b>11,691,425</b>	<b>11,080,632</b>
<b>Change in Net Position Before</b>						
Transfers	550,132	1,085,821	129,778	22,033	679,910	1,107,854
Transfers	145,000	145,000	(145,000)	(145,000)	-	-
<b>Change in Net Position</b>	<b>695,132</b>	<b>1,230,821</b>	<b>(15,222)</b>	<b>(122,967)</b>	<b>679,910</b>	<b>1,107,854</b>
<b>Net Position - January 1</b>	<b>13,106,869</b>	<b>11,876,048</b>	<b>8,233,244</b>	<b>8,356,211</b>	<b>21,340,113</b>	<b>20,232,259</b>
<b>Net Position - December 31</b>	<b>\$13,802,001</b>	<b>\$13,106,869</b>	<b>\$ 8,218,022</b>	<b>\$ 8,233,244</b>	<b>\$22,020,023</b>	<b>\$21,340,113</b>

# City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021



# City of Ripon, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

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### Financial Analysis of the City's Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

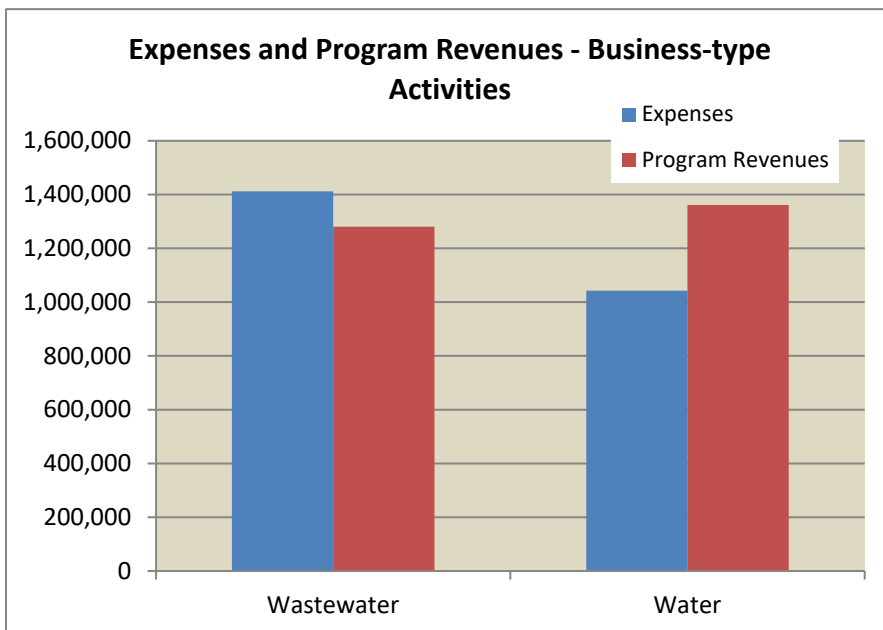
As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$6,523,709, a decrease of \$1,331,422 in comparison with the prior year. A deficit balance of (\$1,476,494) exists in *unassigned fund balance*. The remaining components of fund balance are not available for new spending because they are either 1) nonspendable (\$359,401), 2) restricted (\$5,264,833), or 3) committed (\$1,996,537).

The general fund is the primary operating fund of the City. At the end of the current fiscal year, unassigned fund balance of the general fund was \$1,413,259, while total fund balance reached \$2,151,851. As a measure of the general fund's liquidity, it is useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25% of total general fund expenditures, while total fund balance represents 38% of that same amount.

The fund balance of the City's general fund decreased by \$275,418 during the current fiscal year.

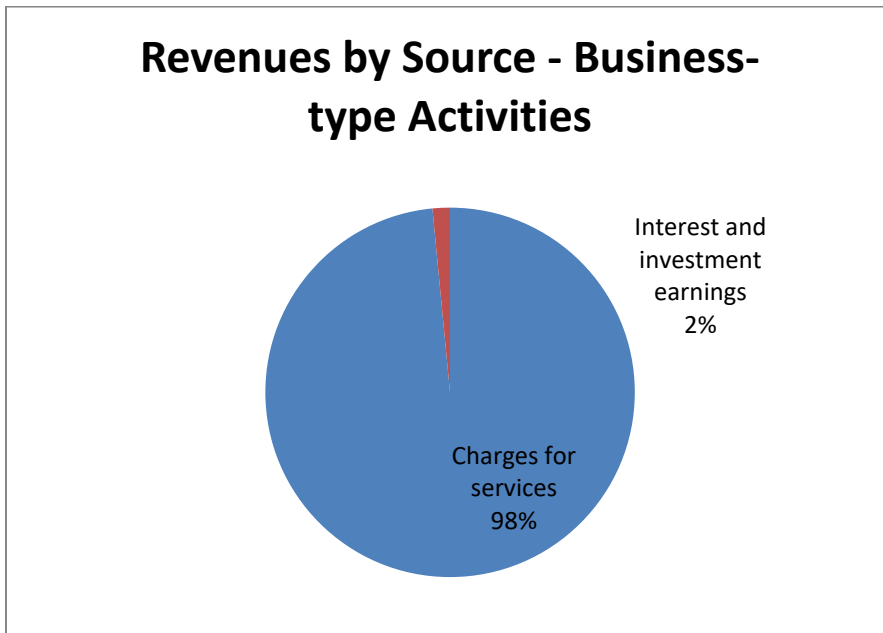
**Proprietary funds.** The City's proprietary funds provide the same type of information found in the City's government-wide financial statements, but in more detail.

Unrestricted net position of the water utility at the end of the year amounted to \$814,599, and the wastewater utility amounted to \$830,871. The total increase in net position for the water utility was \$203,008. The total decrease in net position for the wastewater utility was \$218,230. Other factors concerning the finances of these two funds have already been addressed in the discussion of the City's business-type activities.



# City of Ripon, Wisconsin

MANAGEMENT'S DISCUSSION AND ANALYSIS  
DECEMBER 31, 2021



### General Fund Budgetary Highlights

Actual revenues for the year were higher than budgeted revenues by \$997. Actual expenditures were higher than budgeted expenditures by \$273,986.

Detailed comparisons of budgeted and actual revenues and expenditures can be found on pages 82 - 84 of this report.

### Capital Asset and Debt Administration

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021, amounts to \$27.1 million (net of accumulated depreciation). This investment in capital assets includes land and improvements, intangible plant, buildings and improvements, machinery and equipment, and infrastructure (roads, highways, and bridges). The total increase in the City's investment in capital assets for the current fiscal year was \$1,736,216 or 6.9% from last year (a 8.17% increase for governmental activities and a 4.78% decrease for business-type activities).

	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
Land and improvements	\$ 1,706,031	\$ 1,706,031	\$ 173,312	\$ 110,863	\$ 1,879,343	\$ 1,816,894
Construction in progress	1,717,631	25,500	767,126	73,410	2,484,757	98,910
Buildings and improvements	5,009,114	5,003,528	8,093,442	8,093,442	13,102,556	13,096,970
Machinery and Equipment	5,752,728	5,407,490	5,418,205	5,381,115	11,170,933	10,788,605
Infrastructure	24,736,357	24,736,357	15,614,760	15,615,825	40,351,117	40,352,182
Accumulated depreciation	(22,139,155)	(21,363,570)	(19,787,137)	(19,463,793)	(41,926,292)	(40,827,363)
<b>Total</b>	<b>\$ 16,782,706</b>	<b>\$ 15,515,336</b>	<b>\$ 10,279,708</b>	<b>\$ 9,810,862</b>	<b>\$ 27,062,414</b>	<b>\$ 25,326,198</b>

Additional information of the City's capital assets can be found in note 3.C. on pages 45 - 46 of this report.

# City of Ripon, Wisconsin

## MANAGEMENT'S DISCUSSION AND ANALYSIS DECEMBER 31, 2021

**Long-term debt.** At the end of the current fiscal year, the City had total debt outstanding of \$16,372,795. Of this amount, \$13,139,190 comprises debt backed by the full faith and credit of the government and \$3,233,605 is revenue bonds secured by the revenues of the water and wastewater utilities.

City of Ripon's Outstanding Debt						
General Obligation Debt and Revenue Bonds						
	Governmental activities		Business-type activities		Totals	
	2021	2020	2021	2020	2021	2020
General Obligation Debt						
Bonds	\$ 8,210,000	\$ 9,190,000	\$ -	\$ -	\$ 8,210,000	\$ 9,190,000
Notes	778,389	857,108	-	-	778,389	857,108
Direct Borrowings	2,650,801	2,396,295	1,500,000	-	4,150,801	2,396,295
Total General Obligation	11,639,190	12,443,403	1,500,000	-	13,139,190	12,443,403
Revenue bonds	-	-	3,233,605	4,021,943	3,233,605	4,021,943
Total	\$ 11,639,190	\$ 12,443,403	\$ 4,733,605	\$ 4,021,943	\$ 16,372,795	\$ 16,465,346

The City's total debt decreased by \$92,551, or 1.0%, during the current fiscal year.

The City maintains an "A1" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt the City may issue to 5% of its total equalized valuation. The current debt limitation for the City is \$24,756,605, which is significantly in excess of the City's \$13,139,190 outstanding general obligation debt.

Additional information on the City's long-term debt can be found in note 3.E. on pages 48 - 51 of this report.

### **Economic Factors and Next Year's Budgets and Rates**

- The economic condition and outlook of the City has remained fairly stable based on a relatively healthy mix of manufacturing, tourism, service industry, and retail activities which support our tax base.
- The City maintains ten active TIDs. All districts are expecting to close under the allotted time under State law.

All of these factors were considered in preparing the City's budget for the 2022 fiscal year.

### **Contacting the City's Financial Management**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator of the City of Ripon located at 100 Jackson Street, Ripon, WI 54971.

## **BASIC FINANCIAL STATEMENTS**



**CITY OF RIPON, WISCONSIN  
STATEMENT OF NET POSITION  
DECEMBER 31, 2021**

	Governmental Activities	Business-Type Activities	Totals	Component Units
<b>ASSETS</b>				
Cash and Investments	\$ 9,264,464	\$ 1,755,509	\$ 11,019,973	\$ 424,446
Receivables:				
Taxes and Special Charges	3,869,935	-	3,869,935	69,278
Accounts, Net	266,394	692,510	958,904	10,097
Special Assessments	194,926	-	194,926	4,331
Loans	1,812,658	-	1,812,658	-
Prepaid Supplies and Items	6,019	54,289	60,308	-
Restricted Assets:				
Cash and Investments	-	412,000	412,000	17,767
Net Pension Asset	1,249,305	234,268	1,483,573	44,846
Capital Assets, Nondepreciable	2,765,508	940,438	3,705,946	191,254
Capital Assets, Depreciable, Net	14,017,198	9,339,270	23,356,468	2,186,377
Total Assets	<u>33,446,407</u>	<u>13,428,284</u>	<u>46,874,691</u>	<u>2,948,396</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Loss on Advance Refunding	178,078	-	178,078	-
Pension Related Amounts	2,070,311	388,425	2,458,736	74,127
Other Postemployment Related Amounts	<u>167,390</u>	<u>39,349</u>	<u>206,739</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>2,415,779</u>	<u>427,774</u>	<u>2,843,553</u>	<u>74,127</u>
<b>LIABILITIES</b>				
Accounts Payable	736,317	229,037	965,354	17,325
Accrued and Other Current Liabilities	165,230	9,609	174,839	21,793
Due to Other Governments	9,288	-	9,288	-
Accrued Interest Payable	98,258	6,692	104,950	-
Special Deposits	18,437	-	18,437	-
Unearned Revenues	411,561	-	411,561	-
Long-Term Obligations:				
Due Within One Year	1,448,049	735,836	2,183,885	-
Due in More Than One Year	10,767,355	4,047,527	14,814,882	-
Net Other Postemployment Benefits	<u>359,432</u>	<u>84,493</u>	<u>443,925</u>	<u>-</u>
Total Liabilities	<u>14,013,927</u>	<u>5,113,194</u>	<u>19,127,121</u>	<u>39,118</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Property Taxes Levied for Subsequent Year	5,260,267	-	5,260,267	69,278
Special Assessments	-	-	-	3,913
Pension Related Amounts	2,735,187	512,900	3,248,087	98,413
Other Postemployment Related Amounts	<u>50,804</u>	<u>11,942</u>	<u>62,746</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>8,046,258</u>	<u>524,842</u>	<u>8,571,100</u>	<u>171,604</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	8,749,389	5,926,284	14,675,673	2,377,631
Restricted for Community Development Block Grants	756,299	-	756,299	-
Restricted for Tax Incremental Districts	1,593,219	-	1,593,219	-
Restricted for Debt Service	-	412,000	412,000	44,846
Restricted for Pension Benefits	1,249,305	234,268	1,483,573	-
Unrestricted	<u>1,453,789</u>	<u>1,645,470</u>	<u>3,099,259</u>	<u>389,324</u>
Total Net Position	<u>\$ 13,802,001</u>	<u>\$ 8,218,022</u>	<u>\$ 22,020,023</u>	<u>\$ 2,811,801</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			Component Units
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals	
<b>GOVERNMENTAL ACTIVITIES</b>								
General Government	\$ 1,115,637	\$ 174,191	\$ 4,580	\$ -	\$ (936,866)	\$ -	\$ (936,866)	\$ -
Public Safety	2,952,321	578,258	47,030	-	(2,327,033)	-	(2,327,033)	-
Public Works	2,857,497	400,299	760,830	293,456	(1,402,912)	-	(1,402,912)	-
Health and Human Services	65,421	53,136	-	-	(12,285)	-	(12,285)	-
Culture and Recreation	996,566	16,580	396,254	-	(583,732)	-	(583,732)	-
Conservation and Development	733,532	-	-	-	(733,532)	-	(733,532)	-
Interest and Fiscal Charges	419,283	-	-	-	(419,283)	-	(419,283)	-
Total Governmental Activities	9,140,257	1,222,464	1,208,694	293,456	(6,415,643)	-	(6,415,643)	-
<b>BUSINESS-TYPE ACTIVITIES</b>								
Wastewater Utility	1,426,608	1,245,443	-	-	-	(181,165)	(181,165)	-
Water Utility	1,124,560	1,345,014	-	-	-	220,454	220,454	-
Total Business-Type Activities	2,551,168	2,590,457	-	-	-	39,289	39,289	-
Total Primary Government	\$ 11,691,425	\$ 3,812,921	\$ 1,208,694	\$ 293,456	(6,415,643)	39,289	(6,376,354)	-
<b>COMPONENT UNITS</b>	\$ 609,768	\$ 481,048	\$ -	\$ 63,890	-	-	-	(64,830)
<b>GENERAL REVENUES</b>								
Taxes:								
Property Taxes					3,512,702	-	3,512,702	-
Tax Increments					1,363,201	-	1,363,201	-
Other Taxes					200,099	-	200,099	-
Federal and State Grants, and Other Contributions								
not Restricted to Specific Functions					1,736,962	-	1,736,962	-
Interest and Investment Earnings					77,365	13,868	91,233	918
Miscellaneous					75,446	76,621	152,067	7,257
Transfers					145,000	(145,000)	-	-
Total General Revenues and Transfers					7,110,775	(54,511)	7,056,264	8,175
<b>CHANGE IN NET POSITION</b>								
					695,132	(15,222)	679,910	(56,655)
Net Position - Beginning of Year					13,106,869	8,233,244	21,340,113	2,868,456
<b>NET POSITION - END OF YEAR</b>					\$ 13,802,001	\$ 8,218,022	\$ 22,020,023	\$ 2,811,801

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
BALANCE SHEET —  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

	General	TID No. 11 Downtown Business	General Debt Service	General Capital Projects	Other Governmental Funds	Totals
<b>ASSETS</b>						
Cash and Investments	\$ 1,376,177	\$ 3,549,072	\$ 292,118	\$ -	\$ 3,939,816	\$ 9,157,183
Receivables:						
Taxes and Special Charges	1,732,791	30,849	578,188	-	1,528,107	3,869,935
Accounts, Net	35,228	-	-	-	231,166	266,394
Special Assessments	4,663	-	190,263	-	-	194,926
Loans	1,106,466	-	-	-	706,192	1,812,658
Due from Other Funds	1,643,883	-	-	-	-	1,643,883
Advance to Other Funds	530,178	-	-	-	161,702	691,880
Prepaid Supplies and Items	5,778	-	-	-	241	6,019
	<u>\$ 6,435,164</u>	<u>\$ 3,579,921</u>	<u>\$ 1,060,569</u>	<u>\$ -</u>	<u>\$ 6,567,224</u>	<u>\$ 17,642,878</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts Payable	\$ 68,334	\$ -	\$ -	\$ 573,581	\$ 94,402	\$ 736,317
Accrued and Other Current Liabilities	137,601	-	-	-	27,629	165,230
Due to Other Funds	-	-	-	1,393,922	249,961	1,643,883
Advance from Other Funds	-	-	-	-	691,880	691,880
Due to Other Governments	9,288	-	-	-	-	9,288
Special Deposits	18,437	-	-	-	-	18,437
Unearned Revenues	411,561	-	-	-	-	411,561
Total Liabilities	<u>645,221</u>	<u>-</u>	<u>-</u>	<u>1,967,503</u>	<u>1,063,872</u>	<u>3,676,596</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Property Taxes Levied for Subsequent Year	2,352,241	41,976	786,744	-	2,079,306	5,260,267
Interest on Advances	176,796	-	-	-	-	176,796
Loans Receivable	1,106,466	-	-	-	706,192	1,812,658
Special Assessments	2,589	-	190,263	-	-	192,852
Total Deferred Inflows of Resources	<u>3,638,092</u>	<u>41,976</u>	<u>977,007</u>	<u>-</u>	<u>2,785,498</u>	<u>7,442,573</u>
<b>FUND BALANCES</b>						
Nonspendable	359,160	-	-	-	241	359,401
Restricted	-	3,537,945	83,562	-	1,643,326	5,264,833
Committed	-	-	-	-	1,996,537	1,996,537
Assigned	379,432	-	-	-	-	379,432
Unassigned	1,413,259	-	-	(1,967,503)	(922,250)	(1,476,494)
Total Fund Balances	<u>2,151,851</u>	<u>3,537,945</u>	<u>83,562</u>	<u>(1,967,503)</u>	<u>2,717,854</u>	<u>6,523,709</u>
	<u>\$ 6,435,164</u>	<u>\$ 3,579,921</u>	<u>\$ 1,060,569</u>	<u>\$ -</u>	<u>\$ 6,567,224</u>	<u>\$ 17,642,878</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,435,164</u>	<u>\$ 3,579,921</u>	<u>\$ 1,060,569</u>	<u>\$ -</u>	<u>\$ 6,567,224</u>	<u>\$ 17,642,878</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
BALANCE SHEET — GOVERNMENTAL FUNDS  
DECEMBER 31, 2021**

**RECONCILIATION TO THE STATEMENT OF NET POSITION**

Total fund balances as shown on previous page.	\$ 6,523,709
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds.	16,782,706
Other long-term assets are not available to pay current period expenditures and, therefore, are deferred in the funds.	2,182,306
Long-term assets are not considered available; therefore, are not reported in the funds.	
Net Pension Asset	1,249,305
Net position of the internal service fund is reported in the statement of net position as governmental activities.	107,281
Deferred outflows and inflows of resources represent a consumption or acquisition of net position that applies to a future period and, therefore, are not reported in the funds.	
Loss on Advance Refunding	178,078
Deferred Outflows Related to Pensions	2,070,311
Deferred Inflows Related to Pensions	(2,735,187)
Deferred Outflows Related to Other Postemployment Benefits	167,390
Deferred Inflows Related to Other Postemployment Benefits	(50,804)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and Notes Payable	(11,639,190)
Premium on Debt	(308,040)
Compensated Absences	(268,174)
Other Postemployment Benefit	(359,432)
Accrued Interest on Long-Term Obligations	(98,258)
Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 13,802,001</u>

**CITY OF RIPON, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	TID No. 11		General Debt Service	General Capital Projects	Other Governmental Funds	Totals
	General	Downtown Business				
<b>REVENUES</b>						
Taxes	\$ 2,369,042	\$ 48,640	\$ 715,582	\$ -	\$ 1,920,887	\$ 5,054,151
Special Assessments	-	-	1,868	-	-	1,868
Intergovernmental	2,283,956	4,400	-	278,629	469,570	3,036,555
Licenses and Permits	175,024	-	-	-	-	175,024
Fines and Forfeits	66,680	-	-	-	-	66,680
Public Charges for Services	260,082	-	-	-	481,145	741,227
Intergovernmental Charges for Services	58,822	-	-	-	49,366	108,188
Miscellaneous	55,719	22,053	2,166	-	520,477	600,415
Total Revenues	<u>5,269,325</u>	<u>75,093</u>	<u>719,616</u>	<u>278,629</u>	<u>3,441,445</u>	<u>9,784,108</u>
<b>EXPENDITURES</b>						
Current:						
General Government	850,479	-	-	-	-	850,479
Public Safety	2,555,983	-	-	-	578,436	3,134,419
Public Works	1,966,011	-	-	-	313,177	2,279,188
Health and Human Services	66,103	-	-	-	-	66,103
Culture and Recreation	253,238	-	-	-	687,064	940,302
Conservation and Development	-	2,872	-	-	730,660	733,532
Debt Service:						
Principal	-	195,000	554,818	-	283,553	1,033,371
Interest and Fiscal Charges	-	236,126	133,694	-	67,548	437,368
Capital Outlay	-	-	1,043	2,065,621	128,080	2,194,744
Total Expenditures	<u>5,691,814</u>	<u>433,998</u>	<u>689,555</u>	<u>2,065,621</u>	<u>2,788,518</u>	<u>11,669,506</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(422,489)	(358,905)	30,061	(1,786,992)	652,927	(1,885,398)
<b>OTHER FINANCING SOURCES (USES)</b>						
Long-Term Debt Issued	-	2,770,000	-	575,000	-	3,345,000
Premium on Debt Issued	-	178,976	-	-	-	178,976
Payment to Refunding						
Escrow Agent	-	(3,115,000)	-	-	-	(3,115,000)
Transfers In	147,071	827,752	-	-	-	974,823
Transfers Out	-	-	-	-	(829,823)	(829,823)
Total Other Financing Sources (Uses)	<u>147,071</u>	<u>661,728</u>	<u>-</u>	<u>575,000</u>	<u>(829,823)</u>	<u>553,976</u>
<b>NET CHANGE IN FUND BALANCES</b>	(275,418)	302,823	30,061	(1,211,992)	(176,896)	(1,331,422)
Fund Balances - Beginning of Year	<u>2,427,269</u>	<u>3,235,122</u>	<u>53,501</u>	<u>(755,511)</u>	<u>2,894,750</u>	<u>7,855,131</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 2,151,851</u>	<u>\$ 3,537,945</u>	<u>\$ 83,562</u>	<u>\$ (1,967,503)</u>	<u>\$ 2,717,854</u>	<u>\$ 6,523,709</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES —  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2021**

**RECONCILIATION TO THE STATEMENT OF ACTIVITIES**

Net change in fund balances as shown on previous page. \$ (1,331,422)

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Reported as Capital Outlay in Governmental Fund Statements	2,042,955
Depreciation Expense Reported in the Statement of Activities	(775,585)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the statement of activities when earned.

9,763

Loans issued to City businesses are recorded as an expenditure in the governmental funds when paid while the repayment of these loans is recorded as revenue when received. The issuance and repayment of such loans does not have an effect on net position. Loan activity during the current year is shown below:

Loans Payments Received	(103,855)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

Long-Term Debt Issued	(3,345,000)
Principal Repaid	4,149,213

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	9,591
Amortization of Premiums and Loss on Advance Refunding	(171,324)
Compensated Absences	30,958
Net Pension Asset	653,581
Deferred Outflows of Resources Related to Pensions	657,995
Deferred Inflows of Resources Related to Pensions	(950,910)
Net Other Postemployment Benefits	(105,592)
Deferred Outflows of Resources Related to Other Postemployment Benefits	57,392
Deferred Inflows of Resources related to Other Postemployment Benefits	(569)

Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.

(132,059)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities

\$ 695,132

**CITY OF RIPON, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**BUDGET AND ACTUAL — GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 2,364,764	\$ 2,364,764	\$ 2,369,042	\$ 4,278
Intergovernmental	2,235,808	2,235,808	2,283,956	48,148
Licenses and Permits	210,359	210,359	175,024	(35,335)
Fines and Forfeits	75,055	75,055	66,680	(8,375)
Public Charges for Services	92,497	92,497	260,082	167,585
Intergovernmental Charges for Services	208,036	208,036	58,822	(149,214)
Miscellaneous	81,809	81,809	55,719	(26,090)
Total Revenues	<u>5,268,328</u>	<u>5,268,328</u>	<u>5,269,325</u>	<u>997</u>
<b>EXPENDITURES</b>				
Current:				
General Government	795,259	795,259	850,479	(55,220)
Public Safety	2,502,513	2,502,513	2,555,983	(53,470)
Public Works	1,813,921	1,813,921	1,966,011	(152,090)
Health and Human Services	78,249	78,249	66,103	12,146
Culture and Recreation	227,886	227,886	253,238	(25,352)
Total Expenditures	<u>5,417,828</u>	<u>5,417,828</u>	<u>5,691,814</u>	<u>(273,986)</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(149,500)	(149,500)	(422,489)	(272,989)
<b>OTHER FINANCING SOURCES</b>				
Transfers In	149,500	149,500	147,071	(2,429)
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(275,418)	(275,418)
Fund Balance - Beginning of Year	2,427,269	2,427,269	2,427,269	-
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,427,269</u>	<u>\$ 2,427,269</u>	<u>\$ 2,151,851</u>	<u>\$ (275,418)</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
STATEMENT OF NET POSITION —  
PROPRIETARY FUNDS  
DECEMBER 31, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
<b>ASSETS</b>				
Current Assets:				
Cash and Investments	\$ 820,774	\$ 934,735	\$ 1,755,509	\$ 107,281
Receivables:				
Customer Accounts	323,730	368,780	692,510	-
Prepaid supplies and items	241	54,048	54,289	-
Total Current Assets	<u>1,144,745</u>	<u>1,357,563</u>	<u>2,502,308</u>	<u>107,281</u>
Noncurrent Assets:				
Restricted Assets:				
Cash and Investments	-	412,000	412,000	-
Other Assets:				
Net Pension Asset	120,406	113,862	234,268	-
Capital Assets:				
Nondepreciable	364,620	575,818	940,438	-
Depreciable, Net	<u>3,284,863</u>	<u>6,054,407</u>	<u>9,339,270</u>	<u>-</u>
Total Capital Assets	<u>3,649,483</u>	<u>6,630,225</u>	<u>10,279,708</u>	<u>-</u>
Total Assets	4,914,634	8,513,650	13,428,284	107,281
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related Amounts	199,813	188,612	388,425	-
Other Postemployment Related Amounts	<u>20,752</u>	<u>18,597</u>	<u>39,349</u>	<u>-</u>
Total Deferred Outflows of Resources	<u>220,565</u>	<u>207,209</u>	<u>427,774</u>	<u>-</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF RIPON, WISCONSIN  
STATEMENT OF NET POSITION —  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
<b>LIABILITIES</b>				
Current Liabilities:				
Accounts Payable	\$ 210,653	\$ 18,384	\$ 229,037	\$ -
Accrued and Other Current Liabilities	5,227	4,382	9,609	-
Accrued Interest Payable	1,758	4,934	6,692	-
Current Portion of Compensated Absences	3,331	3,900	7,231	-
Current Portion of Revenue Bonds	383,605	345,000	728,605	-
Total Current Liabilities	<u>604,574</u>	<u>376,600</u>	<u>981,174</u>	<u>-</u>
Long-Term Obligations, Less Current Portion:				
Revenue Bonds	750,000	3,275,814	4,025,814	-
Compensated Absences	10,004	11,709	21,713	-
Net Other Postemployment Benefits	44,560	39,933	84,493	-
Total Long-Term Obligations	<u>804,564</u>	<u>3,327,456</u>	<u>4,132,020</u>	<u>-</u>
Total Liabilities	1,409,138	3,704,056	5,113,194	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related Amounts	263,613	249,287	512,900	-
Other Postemployment Related Amounts	6,298	5,644	11,942	-
Total Deferred Inflows of Resources	<u>269,911</u>	<u>254,931</u>	<u>524,842</u>	<u>-</u>
<b>NET POSITION</b>				
Net Investment in Capital Assets	2,504,873	3,421,411	5,926,284	-
Restricted for Debt Service	-	412,000	412,000	-
Restricted for Pension Benefits	120,406	113,862	234,268	-
Unrestricted	<u>830,871</u>	<u>814,599</u>	<u>1,645,470</u>	<u>107,281</u>
Total Net Position	<u>\$ 3,456,150</u>	<u>\$ 4,761,872</u>	<u>\$ 8,218,022</u>	<u>\$ 107,281</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION —**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 1,245,443	\$ 1,339,689	\$ 2,585,132	\$ 1,068,398
Other	-	5,325	5,325	-
Total Operating Revenues	<u>1,245,443</u>	<u>1,345,014</u>	<u>2,590,457</u>	<u>1,068,398</u>
<b>OPERATING EXPENSES</b>				
Operation and Maintenance	1,283,029	783,284	2,066,313	1,200,457
Depreciation	129,946	212,376	342,322	-
Taxes	-	20,218	20,218	-
Total Operating Expenses	<u>1,412,975</u>	<u>1,015,878</u>	<u>2,428,853</u>	<u>1,200,457</u>
<b>OPERATING INCOME (LOSS)</b>	(167,532)	329,136	161,604	(132,059)
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Interest Income	7,935	5,933	13,868	-
Interest and Fiscal Charges	(13,633)	(108,682)	(122,315)	-
Amortization of Debt Discount/Premium	-	63,331	63,331	-
Other Nonoperating Revenues	-	13,290	13,290	-
Total Nonoperating Expenses	<u>(5,698)</u>	<u>(26,128)</u>	<u>(31,826)</u>	<u>-</u>
<b>INCOME (LOSS) BEFORE TRANSFERS</b>	(173,230)	303,008	129,778	(132,059)
Transfers Out	<u>(45,000)</u>	<u>(100,000)</u>	<u>(145,000)</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	(218,230)	203,008	(15,222)	(132,059)
Net Position - Beginning of Year	<u>3,674,380</u>	<u>4,558,864</u>	<u>8,233,244</u>	<u>239,340</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 3,456,150</u>	<u>\$ 4,761,872</u>	<u>\$ 8,218,022</u>	<u>\$ 107,281</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
STATEMENT OF CASH FLOWS —  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2021**

	Enterprise Funds			Governmental Activities - Internal Service Fund
	Wastewater Utility	Water Utility	Totals	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers	\$ 1,182,301	\$ 1,304,241	\$ 2,486,542	\$ 1,068,398
Cash Paid for Employee Wages and Benefits	(460,875)	(476,583)	(937,458)	-
Cash Paid to Suppliers	(628,853)	(341,698)	(970,551)	(1,200,667)
Net Cash Provided (Used) by Operating Activities	92,573	485,960	578,533	(132,269)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Miscellaneous Nonoperating Revenues	-	13,290	13,290	-
Due to/from Other Funds	(523,847)	523,847	-	-
Transfer Out	(45,000)	(100,000)	(145,000)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(568,847)	437,137	(131,710)	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of Capital Assets	(372,761)	(438,407)	(811,168)	-
Debt Premium Received	-	22,706	22,706	-
Proceeds From Long-term Debt	750,000	3,600,000	4,350,000	-
Principal Paid on Long-Term Debt	(373,338)	(3,265,000)	(3,638,338)	-
Interest Paid on Long-Term Debt	(15,683)	(116,295)	(131,978)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(11,782)	(196,996)	(208,778)	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest Received	7,935	5,933	13,868	-
<b>CHANGE IN CASH AND CASH EQUIVALENTS</b>	(480,121)	732,034	251,913	(132,269)
Cash and Cash Equivalents - Beginning of Year	1,300,895	614,701	1,915,596	239,550
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 820,774</u>	<u>\$ 1,346,735</u>	<u>\$ 2,167,509</u>	<u>\$ 107,281</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
STATEMENT OF CASH FLOWS —  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Enterprise Funds		Totals	Governmental
	Wastewater Utility	Water Utility		Activities - Internal Service Fund
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating Income (Loss)	\$ (167,532)	\$ 329,136	\$ 161,604	\$ (132,059)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation	129,946	212,376	342,322	-
Depreciation Charged to Water Utility	(10,183)	10,183	-	-
Change in Liability (Asset) and Deferred Outflows and Inflows of Resources:				
Net Pension Asset	(38,162)	(41,579)	(79,741)	-
Deferred Outflows - Pension Related	(15,466)	(24,619)	(40,085)	-
Deferred Outflows - OPEB Related	(5,566)	(5,250)	(10,816)	-
Net Other Postemployment Benefits	9,516	9,133	18,649	-
Deferred Inflows - Pension Related	17,280	32,790	50,070	-
Deferred Inflows - OPEB Related	(637)	(451)	(1,088)	-
Change in Operating Assets and Liabilities:				
Accounts Receivables	(63,142)	(40,773)	(103,915)	-
Prepaid Supplies and Items	42,432	16,184	58,616	-
Accounts Payable	192,949	(11,260)	181,689	(210)
Accrued and Other Current Liabilities	922	287	1,209	-
Compensated Absences	216	(197)	19	-
Net Cash Provided (Used) by Operating Activities	<u>\$ 92,573</u>	<u>\$ 485,960</u>	<u>\$ 578,533</u>	<u>\$ (132,269)</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION</b>				
Cash and Cash Equivalents in Current Assets	\$ 820,774	\$ 934,735	\$ 1,755,509	\$ 107,281
Cash and Cash Equivalents in Restricted Assets	-	412,000	412,000	-
Total Cash and Cash Equivalents	<u>\$ 820,774</u>	<u>\$ 1,346,735</u>	<u>\$ 2,167,509</u>	<u>\$ 107,281</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
STATEMENT OF FIDUCIARY NET POSITION —  
FIDUCIARY FUNDS  
DECEMBER 31, 2021**

**ASSETS**

Current Assets:

Cash and Investments

\$ 1,688,482

Receivables:

Taxes

4,445,189

Total Assets

\$ 6,133,671

**LIABILITIES**

Accounts Payable

\$ 141

**DEFERRED INFLOWS**

Property Taxes Levied for Subsequent Year

6,048,599

**NET POSITION**

Restricted

\$ 84,931

*See accompanying Notes to Basic Financial Statements.*

**CITY OF RIPON, WISCONSIN  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION —  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2021**

**ADDITIONS**

Taxes and Special Charges Collected	\$ 6,666,695
Interest	<u>261</u>
Total Additions	6,666,956

**DEDUCTIONS**

Payments to Others	<u>6,644,147</u>
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**CHANGE IN NET POSITION**

22,809

Net Position - Beginning of Year

62,122

**NET POSITION - END OF YEAR**

\$ 84,931

**CITY OF RIPON, WISCONSIN  
COMBINING STATEMENT OF NET POSITION —  
COMPONENT UNITS  
DECEMBER 31, 2021**

	Business Improvement District	Ripon Area Fire District	Totals
<b>ASSETS</b>			
Cash and Investments	\$ -	\$ 424,446	\$ 424,446
Receivables:			
Taxes and Special Charges	69,278	-	69,278
Accounts	-	10,097	10,097
Special Assessments	4,331	-	4,331
Restricted Assets:			
Cash and Investments	-	17,767	17,767
Net Pension Asset	-	44,846	44,846
Capital Assets, Nondepreciable	-	191,254	191,254
Capital Assets, Depreciable, Net	-	2,186,377	2,186,377
Total Assets	73,609	2,874,787	2,948,396
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension Related Amounts	-	74,127	74,127
<b>LIABILITIES</b>			
Accounts Payable	-	17,325	17,325
Accrued and Other Current Liabilities	-	21,793	21,793
Total Liabilities	-	39,118	39,118
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Property Taxes Levied for Subsequent Year	69,278	-	69,278
Special Assessments	3,913	-	3,913
Pension Related Amounts	-	98,413	98,413
Total Deferred Inflows of Resources	73,191	98,413	171,604
<b>NET POSITION</b>			
Net Investment in Capital Assets	-	2,377,631	2,377,631
Restricted for Pension Benefits	-	44,846	44,846
Restricted for Future Equipment Purchases	-	17,767	17,767
Unrestricted	418	371,139	371,557
Total Net Position	\$ 418	\$ 2,811,383	\$ 2,811,801

See accompanying Notes to Basic Financial Statements.

**CITY OF RIPON, WISCONSIN  
COMBINING STATEMENT OF ACTIVITIES —  
COMPONENT UNITS  
YEAR ENDED DECEMBER 31, 2021**

	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Capital Grants and Contributions	Business Improvement District	Ripon Area Fire District	Totals
Business Improvement District	\$ 64,617	\$ -	\$ 63,890	\$ (727)	\$ -	\$ (727)
Ripon Area Fire District	545,151	481,048	-	-	(64,103)	(64,103)
Total Component Units	<u>\$ 609,768</u>	<u>\$ 481,048</u>	<u>\$ 63,890</u>	(727)	(64,103)	(64,830)
<b>GENERAL REVENUES</b>						
Interest and Investment Earnings				728	190	918
Miscellaneous				-	7,257	7,257
Total General Revenues				<u>728</u>	<u>7,447</u>	<u>8,175</u>
<b>CHANGE IN NET POSITION</b>						
Net Position - Beginning of Year				417	2,868,039	2,868,456
<b>NET POSITION - END OF YEAR</b>						
				<u>\$ 418</u>	<u>\$ 2,811,383</u>	<u>\$ 2,811,801</u>

See accompanying Notes to Basic Financial Statements.



**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of Ripon, Wisconsin (the City), have been prepared in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below:

**A. Reporting Entity**

The City is a municipal corporation governed by an elected nine-member board. In accordance with U.S. GAAP, the basic financial statements are required to include the City and any separate component units that have a significant operational or financial relationship with the City. The City has identified the following component units that are required to be included in the basic financial statements.

Business Improvement District (BID)

The BID, created under the provisions of Wisconsin Statute Section 66.1109, is a discretely presented component unit with a separate board appointed by the City Council. The purpose of the BID is to allow businesses within the district boundaries to develop, manage, and promote the district and to establish an assessment method to finance these activities. The BID has its own independent budgetary authority and borrowing capabilities. However, the City can impose its will on the BID. The BID financial information is presented for the fiscal year ended December 31, 2021. The BID does not issue a separate complete set of financial statements.

Ripon Area Fire District

The City is a participant with the Town of Ripon and the Town of Nepeuskun in the Ripon Area Fire District. The District provides fire protection services to the entire City and Town of Ripon and to a portion of the Town of Nepeuskun. The municipalities are obligated, by agreement, to finance operating and capital costs of the District. The City's operating appropriation to the District for the year ended December 31, 2021, was \$320,941.

The District is governed by a seven-member board, four from the City, two from the Town of Ripon and one from the Town of Nepeuskun. The members must be elected officials of each municipality and are selected by the respective governing bodies. The District is presented as a component unit of the City because the controlling membership of the Board is appointed by the City Council. Complete financial statements for the Ripon Area Fire District can be obtained from their office at 515 Aspen Street, Ripon, WI 54971.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Governmental funds include general, special revenue, debt service, and capital projects funds. Proprietary funds include enterprise and internal service funds.

Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental and enterprise funds:

General Fund

This is the City's primary operating fund. It accounts for all financial resources of the general government, except those accounted for in another fund.

TID No. 11 Downtown Business Fund

This fund is used to account for the project plan costs of the City's Tax Incremental District No. 11.

General Debt Service Fund

This fund is used to account for debt related proceeds and expenditures of the City.

General Capital Projects

This fund is used to account for capital related expenditures of the City.

Wastewater Utility Fund

This fund is used to account for the operations of the City's wastewater utility.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. Government-Wide and Fund Financial Statements (Continued)**

Water Utility Fund

This fund accounts for the operations of the City's water utility.

The City also reports the following fiduciary funds.

Custodial Funds

The City accounts for assets held for individuals or other governmental agencies in two custodial funds. The tax collection custodial fund accounts for property taxes and special charges collected on behalf of other governments. The FF/NN Landfill custodial fund accounts for the activity of a city operated landfill in the Town of Ripon.

Additionally, the City reports the following fund type:

Internal Service Fund

The fund accounts for health insurance services provided to other departments of the City.

**C. Measurement Focus and Basis of Accounting**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 120 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due.

Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services, and interest. Other revenues such as licenses and permits, fines and forfeits, and miscellaneous revenues are recognized when received in cash or when measurable and available.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**C. Measurement Focus and Basis of Accounting (Continued)**

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City's water and wastewater functions, and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's proprietary funds are charges to customers for services. Operating expenses for proprietary funds include the costs of services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources, as they are needed.

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance**

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. For purposes of the statement of cash flows, all cash deposits and highly liquid investments (including restricted assets) with a maturity of three months or less from date of acquisition are considered to be cash equivalents.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

2. Property Taxes and Special Charges/Receivable

Property taxes and special charges consist of taxes on real estate, personal property, and user charges assessed against City properties. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes and special charges are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City. Special charges not paid by January 31 are held in trust by the County and remitted to the City, including interest, when collected by the County.

In addition to its levy, the City also levies and collects taxes for the Ripon School District, Fond du Lac County, and Moraine Park Technical College.

3. Accounts Receivable

General accounts receivable have been adjusted for all known uncollectible accounts. No allowance is necessary at year-end. The Emergency Medical Services receivable has been shown net of \$742,944 which represents uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made in the accompanying enterprise fund financial statements because the wastewater and water utilities have the right by law to place delinquent bills on the tax roll.

4. Special Assessments

Assessments against property owners for public improvements are generally not subject to full settlement in the year levied. Special assessments are placed on tax rolls on an installment basis. Revenue from special assessments recorded in governmental funds is recognized as collections are made or as current installments are placed on tax rolls. (Installments placed on the 2021 tax roll are recognized as revenue in 2022.) Special assessments are subject to collection procedures.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

5. Loans Receivable

The City has received federal and state grant funds for economic development and housing rehabilitation loan programs and has passed the funds to various businesses and individuals in the form of loans. The City records a loan receivable and expenditure when the loan has been made and the funds disbursed. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements. In the governmental funds, the City records a deferred inflow of resources for the net amount of the receivable. As the loans are repaid, revenue is recognized. Any unspent loan proceeds are presented as restricted fund balance in the fund financial statements.

6. Interfund Receivables and Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" and "due to other funds" in the fund financial statements. Noncurrent portions of the interfund receivables for the general fund is offset by the nonspendable fund balance since they do not constitute expendable available financial resources and therefore are not available for appropriation.

The amount reported on the statement of net position for internal balances represents the residual balance outstanding between the governmental and business-type activities.

7. Prepaid Supplies and Items

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid supplies and items and are expensed in the periods benefitted.

Prepaid supplies and items of governmental funds in the fund financial statements are classified as nonspendable fund balance to indicate that they do not represent spendable available financial resources.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

8. Capital Assets

Capital assets, which include property, plant, equipment, and infrastructure assets, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost of \$5,000 or higher and an estimated useful life in excess of three years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Capital assets of the City are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years	
	Governmental Activities	Business-Type Activities
Land Improvements	7 to 39	25 to 50
Buildings and Improvements	39	25 to 50
Machinery and Equipment	3 to 7	3 to 10
Infrastructure	15 to 50	25 to 100

9. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick leave benefits in accordance with employee handbook policies and/or bargaining unit agreements. All vacation and sick leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds in the fund financial statements only if they have matured, for example, as a result of employee resignations and retirements.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

10. Deferred Outflows/Inflows of Resources

Deferred outflows of resources are a consumption of net position by the government that is applicable to a future reporting period. Deferred inflows of resources are an acquisition of net position by the government that is applicable to a future reporting period. The recognition of those outflows and inflows as expenses or expenditures and revenues are deferred until the future periods to which the outflows and inflows are applicable.

Governmental funds may report deferred inflows of resources for unavailable revenues. The City reports unavailable revenues for special assessments, loan receivables, and interest on advances. These inflows are recognized as revenues in the government-wide financial statements.

11. Long-Term Obligations

In the government-wide financial statements, and proprietary funds in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Pensions

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.



**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

13. Other Postemployment Benefits Other Than Pensions (OPEB)

Local Retiree Life Insurance Fund

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other postemployment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

14. Fund Equity

Governmental Fund Financial Statements

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance – Amounts that are not in spendable form (such as prepaid supplies and items or long-term receivables) or are legally or contractually required to remain intact.

Restricted Fund Balance – Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.

Committed Fund Balance – Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

Assigned Fund Balance – Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized a specific employee to assign fund balance. Residual amounts in any governmental fund, other than the General Fund, are also reported as assigned.

Unassigned Fund Balance – Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

The City has adopted a fund balance spend-down policy regarding the order in which fund balance will be utilized. Where applicable, the policy requires restricted funds to be spent first, followed by committed funds, and then assigned funds. Unassigned funds would be spent last.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Fund Balance (Continued)**

14. Fund Equity (Continued)

Government-Wide and Proprietary Fund Statements

Equity is classified as net position and displayed in three components:

Net Investment in Capital Assets – Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources, less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.

Restricted Net Position – Amount of net position that is subject to restrictions that are imposed by: 1) external groups, such as creditors, grantors, contributors, or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position – Net position that is neither classified as restricted nor as net investment in capital assets.

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

**NOTE 2 STEWARDSHIP AND COMPLIANCE**

**A. Budgets and Budgetary Accounting**

The City follows these procedures in establishing the budgetary data reflected in the basic financial statements:

1. During October, City management submits to the City Council a proposed operating budget for the calendar year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. After submission to the governing body, public hearings are held to obtain taxpayer comments. Following the public hearings, the proposed budget, including authorized additions and deletions, is legally enacted by City Council action.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**A. Budgets and Budgetary Accounting (Continued)**

2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.
5. Encumbrance accounting is not used by the City to record commitments related to unperformed contracts for goods or services.

General Fund expenditures exceeded budget by \$273,986 for the year ended December 31, 2021.

**B. Deficit Fund Equity**

The following funds had a deficit fund balance as of December 31, 2021:

Funds	Deficit Fund Balance
Special Revenue Fund:	
Taxi Fund	\$ 189,003
CDBG Revolving Loan	19,141
Capital Projects Funds:	
General Capital Projects	1,967,503
TID No. 7	600,972
TID No. 15	113,134

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)**

**B. Deficit Fund Equity (Continued)**

The general capital projects fund deficit will be funded with tax levy, debt proceeds, or transfers from the general fund. The taxi fund deficit will be funded with future charges for services or transfers from the general fund. The TID deficits are anticipated to be funded with future incremental taxes levied over the life of the districts.

**C. Property Tax Levy Limit**

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, towns and counties. For the 2021 and 2022 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2021 budget was 0.55%. The actual limit for the City for the 2022 budget was 0.49%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash and Investments**

The City maintains various cash and investment accounts, including pooled funds that are available for use by all funds. Each fund's portion of these accounts is displayed on the financial statements as "Cash and Investments".

Invested cash consists of deposits and investments that are restricted by Wisconsin Statutes to the following:

Time deposits; repurchase agreements; securities issued by federal, state, and local governmental entities; statutorily authorized commercial paper and corporate securities; and the Wisconsin local government investment pool.

The carrying amount of the City's cash and investments totaled \$13,120,455 on December 31, 2021, as summarized below:

Petty Cash and Cash on Hand	\$ 1,010
Deposits with Financial Institutions	12,613,455
Investments:	
Beneficial Interest in Investments Held by Oshkosh Area Community Foundation	485,914
Money Market	18,424
Wisconsin Local Government Investment Pool	1,652
Total	\$ 13,120,455

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:	
Cash and Investments	\$ 11,019,973
Restricted Cash and Investments	412,000
Fiduciary Fund Statement of Net Position:	
Cash and Investments	1,688,482
Total	<u>\$ 13,120,455</u>

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; and Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2021:

	Fair Value Measurements Using:		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments:			
Beneficial Interest in the Community Foundation	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 485,914</u>

Deposits and investments of the City are subject to various risks. Presented below is a discussion of the City's deposits and investments and the related risks.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Wisconsin statutes require repurchase agreements to be fully collateralized by bonds or securities issued or guaranteed by the federal government or its instrumentalities. The City does not have an additional custodial credit policy.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Custodial Credit Risk (Continued)

Deposits with financial institutions within the state of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the state of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Also, the state of Wisconsin has a State Guarantee Fund which provides a maximum of \$400,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2021, \$6,443,334 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits. \$1,298,812 was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name. The remaining \$5,144,522 was uninsured at year end.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Wisconsin statutes limit investment in securities to the top two ratings assigned by nationally recognized statistical rating organizations. Presented below is the actual rating as of the year-end for each investment type.

<u>Investment Type</u>	<u>Amount</u>	<u>Exempt from Disclosure</u>	<u>AAA</u>	<u>Aa</u>	<u>Not Rated</u>
Wisconsin Local Government Investment Pool	\$ 1,652	\$ -	\$ -	\$ -	\$ 1,652

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. As of December 31, 2021, the Wisconsin local government investment pool had a weighted average maturity of 61 days.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**A. Cash and Investments (Continued)**

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Wisconsin Local Government Investment Pool	\$ 1,652	\$ 1,652	-	-	-

Investment in Wisconsin's Local Government Investment Pool

The City has investments in the Wisconsin Local Government Investment Pool of \$1,652 at year-end. The LGIP is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the carrying value.

Beneficial Interest in Investments Held by Community Foundation

Beneficial interest in investments held by Community Foundation represents amounts held at the Oshkosh Area Community Foundation, Inc. for the Ripon Public Library. These investments are the legal assets of the Foundation with the restriction that the Foundation make distributions to Ripon Public Library, in accordance with its spending policy.

**B. Restricted Assets**

Restricted assets on December 31, 2021, totaled \$412,000 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Enterprise Funds:		
Water Utility:		
Debt Reserve	\$ 412,000	To reserve additional funds for debt retirement

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets**

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,047,877	\$ -	\$ -	\$ 1,047,877
Construction in Progress	25,500	1,692,131	-	1,717,631
Total Capital Assets, not Being Depreciated	1,073,377	1,692,131	-	2,765,508
Capital Assets, Depreciable:				
Land Improvements	658,154	-	-	658,154
Buildings and Improvements	5,003,528	5,586	-	5,009,114
Machinery and Equipment	5,407,490	345,238	-	5,752,728
Infrastructure	24,736,357	-	-	24,736,357
Subtotal	35,805,529	350,824	-	36,156,353
Less Accumulated Depreciation for:				
Land Improvements	638,885	783	-	639,668
Buildings and Improvements	3,002,644	103,666	-	3,106,310
Machinery and Equipment	4,590,792	254,007	-	4,844,799
Infrastructure	13,131,249	417,129	-	13,548,378
Subtotal	21,363,570	775,585	-	22,139,155
Total Capital Assets, Depreciable, Net	14,441,959	(424,761)	-	14,017,198
Governmental Activities Capital Assets, Net	<u>\$ 15,515,336</u>	<u>\$ 1,267,370</u>	<u>\$ -</u>	16,782,706
Less: Capital Related Debt and Accounts Payable				7,725,277
Less: Debt Premium				<u>308,040</u>
Net Investment in Capital Assets				<u>\$ 8,749,389</u>



**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**C. Capital Assets (Continued)**

	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 173,312	\$ -	\$ -	\$ 173,312
Construction in Progress	10,961	756,165	-	767,126
Total Capital Assets, Nondepreciable	<u>184,273</u>	<u>756,165</u>	<u>-</u>	<u>940,438</u>
Capital Assets, Depreciable				
Buildings and Improvements	8,093,442	-	-	8,093,442
Machinery and Equipment	5,381,115	50,568	13,478	5,418,205
Infrastructure	15,615,825	4,435	5,500	15,614,760
Subtotal	<u>29,090,382</u>	<u>55,003</u>	<u>18,978</u>	<u>29,126,407</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	7,754,192	18,004	-	7,772,196
Machinery and Equipment	5,065,902	44,180	13,478	5,096,604
Infrastructure	6,643,699	280,138	5,500	6,918,337
Subtotal	<u>19,463,793</u>	<u>342,322</u>	<u>18,978</u>	<u>19,787,137</u>
Total Capital Assets, Depreciable, Net	<u>9,626,589</u>	<u>(287,319)</u>	<u>-</u>	<u>9,339,270</u>
Business-Type Activities Capital Assets, Net	<u>\$ 9,810,862</u>	<u>\$ 468,846</u>	<u>\$ -</u>	10,279,708
Less: Capital Related Debt and Accounts Payable				4,332,610
Less: Debt Premium				<u>20,814</u>
Net Investment in Capital Assets				<u>\$ 5,926,284</u>

Depreciation expense was charged to functions of the City as follows:

Governmental Activities:	
General Government	\$ 162,303
Public Safety	107,332
Public Works	417,129
Health and Human Services	481
Culture and Recreation	88,340
Total Depreciation Expense - Governmental Activities	<u>\$ 775,585</u>
Business-Type Activities:	
Wastewater Utility	\$ 129,946
Water Utility	212,376
Total Depreciation Expense - Business-Type Activities	<u>\$ 342,322</u>

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers**

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2021, are detailed below:

	Interfund Receivables	Interfund Payables
Temporary Cash Advances to Finance Operating		
Cash Deficits:		
General Fund	\$ 1,643,883	\$ -
Capital Project Funds:		
General Capital Projects	-	1,393,922
TID No. 9	-	11,153
Special Revenue Funds:		
Taxi	-	219,667
CDBG Revolving Loan	-	19,141
Subtotal	1,643,883	1,643,883
Cash Advances to Finance TIF		
Project Expenditures:		
General Fund	530,178	-
Capital Project Funds:		
TID No. 7	-	557,015
TID No. 14	161,702	-
TID No. 15	-	134,865
Subtotal	691,880	691,880
Total	\$ 2,335,763	\$ 2,335,763

The advances between the General Fund and the Tax Incremental Districts No. 7, 14, and 15 do not have repayment schedules established. These will be repaid based on cash availability in the tax incremental districts from future tax increment collections.

Interfund transfers for the year ended December 31, 2021, were as follows:

Fund	Transfer In	Transfer Out
General	\$ 147,071	\$ -
Special Revenue:		
Donations	-	2,071
Capital Projects:		
TID No. 4	-	342,836
TID No. 5	-	147,604
TID No. 6	-	337,312
TID No. 11	827,752	-
Enterprise:		
Wastewater Utility	-	45,000
Water Utility	-	100,000
Total	\$ 974,823	\$ 974,823

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**D. Interfund Receivable, Payables, and Transfers (Continued)**

Interfund transfers were made for the following purposes:

Transfer from Wastewater Utility to General for Transfer of Revenues	\$ 45,000
Tax Equivalent Payment Made by Water Utility to General Fund	100,000
Donations for Police Department Expenditures	2,071
TID No. 4 to TID No. 11 for Increment Sharing	342,836
TID No. 5 to TID No. 11 for Increment Sharing	147,604
TID No. 6 to TID No. 11 for Increment Sharing	337,312
Total	<u>\$ 974,823</u>

**E. Long-Term Obligations**

The following is a summary of changes in long-term obligations of the City for the year ended December 31, 2021:

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 9,190,000	\$ 2,770,000	\$ 3,750,000	\$ 8,210,000	\$ 910,000
Notes	857,108	-	78,719	778,389	78,719
Direct Borrowings	<u>2,396,295</u>	<u>575,000</u>	<u>320,494</u>	<u>2,650,801</u>	<u>392,286</u>
Total General Obligation Debt	12,443,403	3,345,000	4,149,213	11,639,190	1,381,005
Debt Premium	157,068	178,976	28,004	308,040	-
Compensated Absences	<u>299,132</u>	<u>-</u>	<u>30,958</u>	<u>268,174</u>	<u>67,044</u>
Governmental Activities Long-Term Obligations	<u>\$ 12,899,603</u>	<u>\$ 3,523,976</u>	<u>\$ 4,208,175</u>	<u>\$ 12,215,404</u>	<u>\$ 1,448,049</u>
Business-Type Activities:					
General obligation debt					
Notes from Direct Borrowings	\$ -	\$ 1,500,000	\$ -	1,500,000	\$ -
Revenue Bonds from					
Direct Borrowings	756,943	-	373,338	383,605	383,605
Revenue Bonds	3,265,000	2,850,000	3,265,000	2,850,000	345,000
Debt Premium	61,439	22,706	63,331	20,814	-
Compensated Absences	<u>28,925</u>	<u>1,142</u>	<u>1,123</u>	<u>28,944</u>	<u>7,231</u>
Business-Type Activities Long-Term Obligations	<u>\$ 4,112,307</u>	<u>\$ 4,373,848</u>	<u>\$ 3,702,792</u>	<u>\$ 4,783,363</u>	<u>\$ 735,836</u>

Total interest paid during the year on long-term debt totaled \$433,541.

**Bank Notes**

The City's outstanding notes from direct borrowings related to the governmental activities of \$2,048,838 and the business-type activities of \$1,500,000 contain a provision that in an event of default, outstanding amounts become immediately due if the City is unable to make payment.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

State Trust Fund Loan

The City's outstanding notes from direct borrowings related to the governmental activities of \$601,963 are subject to a statutory provision that in an event of late or nonpayment, a 1% per month penalty will be charged and the payment will be collected through a reduction in payments from the state of Wisconsin.

Clean Water Fund Loan Program

The City's outstanding revenue bonds from direct borrowings related to business-type activities of \$383,605 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
State Trust Fund Loan (Direct Borrowing)	12/3/12	3/15/30	3.75%	\$ 1,183,000	\$ 601,963
General Obligation Bond	7/1/15	10/1/32	3.00 - 3.25%	4,860,000	2,465,000
General Obligation Note	1/26/17	1/26/24	2.25%	481,287	385,027
General Obligation Note	1/26/17	1/26/22	2.00%	80,475	16,095
General Obligation Note	12/21/17	1/15/23	2.30%	92,943	37,267
General Obligation Note	12/21/17	1/15/25	2.25%	400,000	340,000
General Obligation Refunding Bond	9/19/19	8/1/30	2.10 - 2.50%	3,075,000	2,975,000
General Obligation Note (Direct Borrowing)	2/26/20	2/26/25	3.05%	1,150,000	933,609
General Obligation Note (Direct Borrowing)	2/26/20	2/26/27	3.05%	561,000	540,229
General Obligation Note (Direct Borrowing)	5/19/21	5/19/26	2.50%	260,000	260,000
General Obligation Note (Direct Borrowing)	5/19/21	5/19/28	2.80%	315,000	315,000
General Obligation Refunding Bond	2/4/21	4/1/32	1.00 - 3.00%	2,770,000	2,770,000
General Obligation Note (Direct Borrowing)	9/17/21	3/17/23	2.50%	1,500,000	1,500,000
Total Outstanding General Obligation Debt					<u>\$ 13,139,190</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$13,139,190 on December 31, 2021, are detailed below:

Year Ending December 31,	Governmental Activities				Business-Type Activities		Totals	
	Bonded		Direct Borrowing		Direct Borrowing		Principal	Interest
	Principal	Interest	Principal	Interest	Principal	Interest		
2022	\$ 988,719	\$ 301,842	\$ 392,286	\$ 97,465	\$ -	\$ 38,021	\$ 1,381,005	\$ 437,328
2023	932,774	262,835	404,554	62,811	1,500,000	9,375	2,837,328	335,021
2024	1,281,896	218,117	417,151	30,685	-	-	1,699,047	248,802
2025	1,260,000	172,023	421,830	24,886	-	-	1,681,830	196,909
2026	930,000	128,664	183,521	8,725	-	-	1,113,521	137,389
2027-2031	3,260,000	224,572	831,459	224,572	-	-	4,091,459	449,144
2032	335,000	3,875	-	-	-	-	335,000	3,875
Total	\$ 8,988,389	\$ 1,311,928	\$ 2,650,801	\$ 449,144	\$ 1,500,000	\$ 47,396	\$ 13,139,190	\$ 1,808,468

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

For governmental activities, the other long-term liabilities are generally funded by the General Fund.

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2021, was \$11,617,415 as follows:

Equalized Valuation of the City	\$ 495,132,100
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	24,756,605
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>13,139,190</u>
Legal Margin for New Debt	<u><u>\$ 11,617,415</u></u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2021, totaled \$3,233,605 and were comprised of the following issues:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/21
State of Wisconsin Clean Water Fund Loan (Direct Borrowing)	6/12/02	5/1/22	2.75%	\$ 5,772,779	\$ 383,605
Water System Revenue Bonds	3/23/21	5/1/29	1.00 - 1.20%	2,850,000	<u>2,850,000</u>
Total Outstanding Revenue Bonds					<u><u>\$ 3,233,605</u></u>

Annual principal and interest maturities of the outstanding revenue bonds of \$3,233,605 on December 31, 2021, are detailed below:

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**E. Long-Term Obligations (Continued)**

Revenue Bonds (Continued)

Year Ending December 31,	Business-Type Activities				Totals	
	Bonded		Direct Borrowing		Principal	Interest
	Principal	Interest	Principal	Interest		
2022	\$ 345,000	\$ 27,880	\$ 383,605	\$ 5,275	\$ 728,605	\$ 33,155
2023	350,000	24,405	-	-	350,000	24,405
2024	345,000	20,930	-	-	345,000	20,930
2025	355,000	17,430	-	-	355,000	17,430
2026	355,000	13,880	-	-	355,000	13,880
2027-2029	1,100,000	18,948	-	-	1,100,000	18,948
Total	<u>\$ 2,850,000</u>	<u>\$ 123,473</u>	<u>\$ 383,605</u>	<u>\$ 5,275</u>	<u>\$ 3,233,605</u>	<u>\$ 128,748</u>

Utility Revenues Pledged

The City has pledged future water and wastewater customer revenues, net of specified operating expenses, to repay the water and wastewater system revenue bonds. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the systems. The bonds are payable solely from water and wastewater customer net revenues and are payable through 2029. The total principal and interest remaining to be paid on the bonds is \$3,362,353. Principal and interest paid for the current year and total customer net revenues were \$3,691,661 and \$517,794, respectively.

**F. Pension Plan**

1. Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/publication/CAFR.htm>.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

1. Plan Description (Continued)

Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupation employees and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled a retirement benefit, based on a formula factor, their final average earnings, and years of creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested employees may retire at or after age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

2. Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s.40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the Floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

2. Postretirement Adjustments (Continued)

<u>Year Ending December 31,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	-1.2%	11.0%
2012	-7.0%	-7.0%
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remained of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the year ending December 31, 2021, the WRS recognized \$270,880 in contributions from the City.

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%



**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

**4. Pension Assets, Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2021, the City reported an asset of \$1,483,573 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.02376326%, which was an increase of 0.00049573% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension revenue of \$159,111.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 2,147,184	\$ 462,500
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	2,785,288
Changes in Assumptions	33,650	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	7,022	299
Employer Contributions Subsequent to the Measurement Date	270,880	-
Total	\$ 2,458,736	\$ 3,248,087

\$270,880 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ (272,292)
2023	(72,627)
2024	(502,696)
2025	(212,616)
Total	\$ (1,060,231)

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

5. Actuarial Assumptions

The total pension liability in the December 31, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

\* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2018 using experience from 2015-2017. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

*Long-Term Expected Return on Plan Assets* – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

5. Actuarial Assumptions (Continued)

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0%	3.2%	0.8%
Inflation Sensitive Assets	16.0%	2.0%	-0.4%
Real Estate	8.0%	5.6%	3.1%
Private Equity/Debt	11.0%	10.2%	7.6%
Multi-Asset	4.0%	5.8%	3.3%
Cash	-15.0%	0.9%	N/A
Total Core Fund	100.0%	6.6%	4.1%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0%	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%

Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations

*Single Discount Rate* – A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GO AA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities). Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**F. Pension Plan (Continued)**

5. Actuarial Assumptions (Continued)

*Sensitivity of the City's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 1,412,156	\$ (1,483,573)	\$ (3,610,464)

*Pension Plan Fiduciary Net Position* – Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

6. Payables to the Pension Plan

At December 31, 2021, the City reported a payable of \$54,813 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

**G. Other Postemployment Benefits**

Local Retiree Life Insurance Fund

Plan Description

The LRLIF is a cost-sharing, multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Annual Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Additionally, ETF issued a standalone Retiree Local Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

Benefits Provided

The LRLIF plan provides fully paid-up life insurance benefits for post-age 64 retired members and pre-65 retirees who pay for their coverage.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

Local Retiree Life Insurance Fund (Continued)

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contributions based on member contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates as of December 31, 2021, are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2020, are listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2020	
Attained Age	Basic
Under 30	\$0.05
30 - 34	0.06
35 - 39	0.07
40 - 44	0.08
45 - 49	0.12
50 - 54	0.22
55 - 59	0.39
60 - 64	0.49
65 - 69	0.57

During the reporting period, the LRLIF recognized \$1,526 in contributions from the employer.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2021, the City reported a liability of \$443,925 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2020 rolled forward to December 31, 2020. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.08070300%, which was an increase of 0.00562800% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$57,124.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 21,183
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	6,464	-
Changes in Assumptions	172,692	30,459
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	27,583	11,105
Total	\$ 206,739	\$ 62,747

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and  
Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ 26,671
2023	25,972
2024	25,252
2025	22,402
2026	29,060
Thereafter	14,635
Total	<u>\$ 143,992</u>

*Actuarial Assumptions* – The total OPEB liability in the January 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2020
Measurement Date of Net OPEB Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	2.25%
Salary Increases:	
Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 actuarial valuation.

**CITY OF RIPON, WISCONSIN  
 NOTES TO BASIC FINANCIAL STATEMENTS  
 DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Long-Term Expected Return on Plan Assets* – The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers’ general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto. The target allocation and best estimates of geometric real rate of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Credit Bonds	Barclays Credit	50%	1.47%
U.S. Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return and expected inflation rate remained unchanged from the prior year at 4.25% and 2.20% respectively. The long-term expected rate of return is determined by adding expected inflation to expected long-term returns and reflecting expected volatility and correlation.



**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

Local Retiree Life Insurance Fund (Continued)

OPEB Liabilities, OPEB Expense (Revenue) and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

*Single Discount Rate* – A single discount rate of 2.25% was used to measure the total OPEB liability, for the current year as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan’s fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan’s fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan’s fiduciary net position is projected to be insufficient. The plan’s fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

*Sensitivity of the City’s Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate* – The following presents the City’s proportionate share of the net OPEB liability calculated using the discount rate of 2.25%, as well as what the City’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
City’s Proportionate Share of the Net OPEB Liability (Asset)	\$ 603,865	\$ 443,925	\$ 322,967

*OPEB Plan Fiduciary Net Position* – Detailed information about the OPEB plan’s fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**G. Other Postemployment Benefits (Continued)**

Local Retiree Life Insurance Fund (Continued)

Payable to the OPEB Plan

At December 31, 2021, the City did not report a payable for the outstanding amount of contribution to the Plan required for the year ended December 31, 2021.

**H. Fund Equity**

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either: 1) not in spendable form, or 2) legally or contractually required to be maintained intact. At December 31, 2021, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Advance to Other Funds	\$ 353,382
Prepaid Supplies and Items	<u>5,778</u>
Total General Fund Nonspendable Fund Balance	<u>359,160</u>

Special Revenue Funds:

Nonspendable:

Emergency Medical Services	
Prepaid Supplies and Items	<u>241</u>

Total Nonspendable Fund Balance	<u><u>\$ 359,401</u></u>
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**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Fund Equity (Continued)**

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2021, restricted fund balance was as follows:

Special Revenue Funds:

Restricted for:

CDBG Housing	\$	50,107
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Capital Projects Funds:

Restricted for:

TID No. 9		715,959
TID No. 10		391,819
TID No. 11		3,537,945
TID No. 12		234,525
TID No. 14		250,916

Debt Service Fund:

Restricted for:

Debt Service		83,562
Total Restricted Fund Balance		\$ 5,264,833

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2021, fund balance was committed as follows:

Special Revenue Funds:

Committed for:

Emergency Medical Services	\$	439,295
Library		515,399
Community Promotion		158,319
Donations		688,626
City Revolving Loans		149,641
Equipment Replacement		45,257
Total Committed Fund Balance		\$ 1,996,537

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)**

**H. Fund Equity (Continued)**

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2021, fund balance was assigned as follows:

General Fund:	
Assigned for Capital Projects	\$ 239,432
Assigned for Industrial Park Development	140,000
Total	<u>\$ 379,432</u>

Minimum General Fund Balance Policy

The City has also adopted a minimum fund balance policy of 20% of the general funds operating revenues. The minimum fund balance is maintained for cash flow and working capital purposes. The minimum fund balance amount is calculated as follows:

2021 General Fund Operating Revenues	\$ 5,269,325
Minimum Fund Balance %	<u>(x) 20%</u>
Minimum Fund Balance Amount	<u>\$ 1,053,865</u>

The City's unassigned general fund balance of \$1,413,259 is above the minimum fund balance amount.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION**

**A. Component Units**

This report contains financial information for the City of Ripon Business Improvement District (BID) and the Ripon Area Fire District (District), which are included as component units. Financial information is presented in separate columns in the statement of net position and the statement of activities.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation of their financial information.

City of Ripon Business Improvement District

1. Basis of Accounting/ Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of current financial resources measurement focus.

2. Cash and Investments

The BID's cash is commingled with the City's cash and consisted entirely of deposits with financial institutions.

Ripon Area Fire District

1. Cash and Investments

At year-end, the carrying amount of the District's deposits was \$442,113 and the bank balance was \$433,527 and fully insured by federal depository insurance limits. In addition, the District maintained \$100 in petty cash funds. These amounts are not included in the totals presented in Note 3.A.

2. Pension

For purposes of measuring the net pension liability/asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense (revenue), information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

**3. Capital Assets**

A summary of changes in capital assets of the District follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Nondepreciable:				
Land	\$ 191,254	\$ -	\$ -	\$ 191,254
Capital Assets, Depreciable:				
Buildings	1,648,327	-	-	1,648,327
Machinery and Equipment	3,177,642	-	-	3,177,642
Subtotal	<u>4,825,969</u>	-	-	4,825,969
Less Accumulated Depreciation for:				
Buildings	527,580	40,409	-	567,989
Machinery and Equipment	1,979,773	91,830	-	2,071,603
Subtotal	<u>2,507,353</u>	<u>132,239</u>	-	<u>2,639,592</u>
Total Capital Assets, Depreciable, Net	<u>2,318,616</u>	<u>(132,239)</u>	-	<u>2,186,377</u>
Capital Assets, Net	<u>\$ 2,509,870</u>	<u>\$ (132,239)</u>	<u>\$ -</u>	2,377,631
Less: Net Related Long-Term Debt Outstanding				-
Net Investment in Capital Assets				<u>\$ 2,377,631</u>

**4. Pension Plan - Ripon Area Fire District (Component Unit)**

Plan Description

The WRS is a cost-sharing, multiple-employer, defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible state of Wisconsin, local government, and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Plan Description (Continued)

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/publications/cafr/htm>.

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested.

Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before December 31, 2016) are entitled a retirement benefit, based on a formula factor, their final average earnings, and years of creditable service.

Final average earnings is the average of the participant's three highest earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested employees may retire at or after age 55 (50 for protective occupation employees) and receive an actuarially reduced benefit. Participants terminating prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s.40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the Floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

<u>Year Ending December 31,</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2011	-1.2%	11.0%
2012	-7.0%	-7.0%
2013	-9.6%	9.0%
2014	4.7%	25.0%
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by existing collective bargaining agreement.

During the year ending December 31, 2021, the WRS recognized \$8,071 in contributions from the District.



**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Contributions (Continued)

Contribution rate for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the District reported an asset of \$44,846 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The District's proportion of the net pension asset was based on the District's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the District's proportion was 0.00071834%, which was an decrease of 0.00000551% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the District recognized pension revenue of \$5,085.

At December 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 64,906	\$ 13,980
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	-	84,195
Changes in Assumptions	1,017	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	133	238
Employer Contributions Subsequent to the Measurement Date	8,071	-
Total	<u>\$ 74,127</u>	<u>\$ 98,413</u>

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$8,071 reported as deferred outflows related to pension resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ending December 31,</u>	<u>Expense</u>
2022	\$ (8,353)
2023	(2,314)
2024	(15,255)
2025	(6,435)
Total	<u>\$ (32,357)</u>

Actuarial Assumption

The total pension liability in the December 31, 2019, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Postretirement Adjustments*:	1.9%

\* *No postretirement adjustment is guaranteed. Actuarial adjustments are based on recognized investment return, actuarial experience, and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate.*

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Actuarial Assumption (Continued)

Actuarial assumptions are based upon an experience study conducted in 2019 that covered a three-year period from January 1, 2016 to December 31, 2018. The total pension liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

*Long-Term Expected Return on Plan Assets* – The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Global Equities	51.0%	7.2%	4.7%
Fixed Income	25.0	3.2%	0.8%
Inflation Sensitive Assets	16.0	2.0%	-0.4%
Real Estate	8.0	5.6%	3.1%
Private Equity/Debt	11.0	10.2%	7.6%
Multi-Asset	4.0	5.8%	3.3%
Cash	-15.0	0.9%	N/A
Total Core Fund	100.0%	6.6%	4.1%
Variable Fund Asset Class:			
U.S. Equities	70.0%	6.6%	4.1%
International Equities	30.0	7.4%	4.9%
Total Variable Fund	100.0%	7.1%	4.6%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.4%

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**A. Component Units (Continued)**

Ripon Area Fire District (Continued)

4. Pension Plan - Ripon Area Fire District (Component Unit) (Continued)

Actuarial Assumption (Continued)

*Single Discount Rate* – A single discount rate of 7.00% was used to measure the total pension liability, for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index’s “20-year Municipal GOAA Index” as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

*Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate* – The following presents the District’s proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.00%) or 1-percentage point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 42,688	\$ (44,846)	\$ (109,140)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statement available at <http://etf.wi.gov/publications/cafr.htm>.

Payable to the WRS

At December 31, 2021 the District reported a payable of \$1,790 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2021.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Tax Incremental Financing Districts**

The City has established separate capital projects funds for ten Tax Incremental Districts (TID) which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the TIDs were created, the property tax base within the TID was “frozen” and increment taxes resulting from increases to the property tax base are used to finance TID improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date.

Since creation of the above TIDs, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2021, the amounts the City can recover from future excess tax increment revenues are as follows:

	Recoverable Costs
TID No. 4	\$ -
TID No. 5	-
TID No. 6	281,379
TID No. 7	1,704,695
TID No. 9	(715,959)
TID No. 10	(391,819)
TID No. 11	2,165,092
TID No. 12	(234,525)
TID No. 14	(250,916)
TID No. 15	113,134
Total	\$ 2,671,081

The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Termination Year
TID No. 4	2022
TID No. 5	2023
TID No. 6	2025
TID No. 7	2027
TID No. 9	2029
TID No. 10	2029
TID No. 11	2036
TID No. 12	2034
TID No. 14	2036
TID No. 15	2044

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**B. Tax Incremental Financing Districts (Continued)**

To pay for a portion of the debt for each TID District, the City has incremental guarantees with the developers of the TID districts. The guarantees provide future arrangements that will allow for property value increases to help make the debt payments. All TID's have an increment guarantee with the developers with the exception of a portion of TID #11. The agreement for TID #6 was amended to include an annual guarantee payment in the amount of \$30,000.

The following is a list of TID guarantees shortfalls for 2021:

Tax Incremental District	Assessed Value-Improvements	Actual Increment	Guaranteed Assessed Value	Guaranteed Increment	Shortfall
TID No. 6	N/A	\$ 226,800	N/A	\$ 30,000	N/A
TID No. 7	5,079,700	86,950	8,800,000	205,672	118,722

**C. Tax Abatements**

The City has created tax incremental financing districts (the TIDs) in accordance with Wisconsin State Statute 66.1105, *Tax Increment Law*. As part of the project plan for the TIDs, the City entered into agreements with developers for a creation of tax base within the TIDs. The agreements require the City to make annual repayments of property taxes collected within the TIDs to the developers, based upon the terms of the agreements. As tax abatements, those developer payments and the related property tax revenues are not reported as revenues or expenditures in the financial statements.

For the year ended December 31, 2021, the City abated property taxes totaling \$445,141 under this program, including the following tax abatement agreements that each exceeded 10% of the total amount abated:

- A property tax abatement of \$87,984 to a developer for a hospital within the District.
- A property tax abatement of \$109,059 to a developer for a press building and warehouse within the District.
- A property tax abatement of \$12,000 to a developer for senior apartments.
- A property tax abatement of \$204,737 to a developer for a press building and warehouse within the District.
- A property tax abatement of \$31,361 to a developer for a warehouse within the District.

**D. Risk Management**

The City is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; and natural disasters for which the government carries commercial insurance. The City completes an annual review of its insurance coverage to ensure adequate coverage. Settled claims have not exceeded coverage in any of the past three years.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**E. Contingencies**

The City participates in a number of federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Accordingly, the City's compliance with applicable grant requirements will be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

From time to time, the City is party to other various pending claims and legal proceedings. Although the outcome of such matters cannot be forecast with certainty, it is the opinion of management and the legal counsel that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City of Ripon operated the FF/NN Landfill in prior years in the Town of Ripon. The City has been notified that the landfill has been placed on the National Priorities Cleanup List by the Environmental Protection Agency. Other potential responsible parties have been identified and the City's share of any liability has been estimated to be approximately 30% of the total. This matter is being handled under a contract with the Department of Natural Resources. The City's share of amounts paid to date total \$624,770. Future costs beyond 2021 cannot be determined, but remain a potential liability to the City.

The City, along with other potential responsible parties, were directed by the state to investigate the Highway PP Landfill operated in prior years. The City has continued to work with other major industries to limit their exposure. They hired a consultant to do a limited investigation and study in an attempt to have this matter removed from the Department of Natural Resources (DNR) priority listing. The completed investigation was forwarded to the DNR in 2002, and to date, the City of Ripon has heard nothing further regarding this potential environmental issue. Total costs for this site and the City's respective share are not known.

**CITY OF RIPON, WISCONSIN  
NOTES TO BASIC FINANCIAL STATEMENTS  
DECEMBER 31, 2021**

**NOTE 4 OTHER INFORMATION (CONTINUED)**

**G. SUBSEQUENT EVENTS**

On July 25, 2022, the City Council approved resolutions for the issuance and sale of up to \$448,819 in Clean Water Fund Loan funds and \$743,324 in Safe Drinking Water Fund Loan funds.

On October 24, 2022, the City Council approved a bank loan for \$188,000 to finance a capital asset purchase.



**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF RIPON, WISCONSIN**  
**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) —**  
**WISCONSIN RETIREMENT SYSTEM**  
**LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
<b>Primary Government</b>					
12/31/14	0.02252273%	\$ (553,221)	\$ 2,755,563	20.08%	102.74%
12/31/15	0.02224933%	361,548	2,809,604	12.87%	98.20%
12/31/16	0.02225420%	183,428	2,846,351	6.44%	99.12%
12/31/17	0.02245102%	(666,598)	2,900,124	22.99%	102.93%
12/31/18	0.02285433%	813,085	3,034,875	26.79%	96.45%
12/31/19	0.02326753%	(750,251)	3,195,504	23.48%	102.96%
12/31/20	0.02376326%	(1,483,573)	3,374,316	43.97%	105.26%
<b>Component Unit - Ripon Area Fire District</b>					
12/31/14	0.00066781%	\$ (16,403)	\$ 66,410	24.70%	102.74%
12/31/15	0.00064374%	10,461	67,812	15.43%	98.20%
12/31/16	0.00067534%	5,566	68,455	8.13%	99.12%
12/31/17	0.00069932%	(20,763)	71,821	28.91%	102.93%
12/31/18	0.00071727%	25,518	69,411	36.76%	96.45%
12/31/19	0.00072385%	(23,340)	69,349	33.66%	102.96%
12/31/20	0.00071834%	(44,846)	71,115	63.06%	105.26%

**CITY OF RIPON, WISCONSIN  
SCHEDULE OF CONTRIBUTIONS —  
WISCONSIN RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (Fiscal Year)	Contributions as a Percentage of Covered Payroll
<b>Primary Government</b>					
12/31/15	\$ 213,832	\$ 213,832	\$ -	\$ 2,809,604	7.61%
12/31/16	211,549	211,549	-	2,846,351	7.43%
12/31/17	231,865	231,865	-	2,900,124	8.00%
12/31/18	283,555	283,555	-	3,034,875	9.34%
12/31/19	245,930	245,930	-	3,195,504	7.70%
12/31/20	275,592	275,592	-	3,374,316	8.17%
12/31/21	270,880	270,880	-	3,265,423	8.30%
<b>Component Unit - Ripon Area Fire District</b>					
12/31/15	\$ 6,442	\$ 6,442	\$ -	\$ 67,812	9.50%
12/31/16	6,435	6,435	-	68,455	9.40%
12/31/17	7,757	7,757	-	71,821	10.80%
12/31/18	7,613	7,613	-	69,411	10.97%
12/31/19	7,434	7,434	-	69,349	10.72%
12/31/20	8,349	8,349	-	71,115	11.74%
12/31/21	8,071	8,071	-	68,169	11.84%

See accompanying Notes to Required Supplementary Information.

**CITY OF RIPON, WISCONSIN  
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET) —  
LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 MEASUREMENT PERIODS**

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered-Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.07892000%	\$ 237,438	\$ 3,318,812	7.15%	44.81%
12/31/18	0.07190000%	185,526	2,839,000	6.53%	48.69%
12/31/19	0.07507500%	319,684	2,927,000	10.92%	37.58%
12/31/20	0.08070300%	443,925	3,181,000	13.96%	31.36%

**SCHEDULE OF CONTRIBUTIONS —  
LOCAL RETIREE LIFE INSURANCE FUND  
LAST 10 FISCAL YEARS**

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered-Employee Payroll
12/31/18	\$ 1,515	\$ 1,515	\$ -	\$ 2,839,000	0.05%
12/31/19	1,527	1,527	-	2,927,000	0.05%
12/31/20	1,638	1,638	-	3,181,000	0.05%
12/31/21	1,526	1,526	-	3,265,423	0.05%

See accompanying Notes to Required Supplementary Information.

**CITY OF RIPON, WISCONSIN  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
DECEMBER 31, 2021**

**NOTE 1 WISCONSIN RETIREMENT SYSTEM**

**Change of Benefit Terms**

There were not changes of benefit terms for any participating employer in WRS.

**Changes of Assumptions**

No significant change in assumptions were noted from the prior year.

The City is required to present the last ten fiscal years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**NOTE 2 LOCAL RETIREE LIFE INSURANCE FUND**

**Change of Benefit Terms**

There were no changes of benefit terms.

**Changes of Assumptions**

Actuarial assumptions were based on an experience study conducted in 2018 using Wisconsin Retirement System (WRS) experience from 2015-2017 and the discount rate was updated to reflect the municipal bond rate at the completion of the actuarial valuation.

The City is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

**SUPPLEMENTARY INFORMATION**

**CITY OF RIPON, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES  
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>Taxes:</b>				
General Property	\$ 2,348,776	\$ 2,348,776	\$ 2,348,776	\$ -
Mobile Home	15,888	15,888	20,256	4,368
Interest and Taxes	100	100	10	(90)
Total Taxes	<u>2,364,764</u>	<u>2,364,764</u>	<u>2,369,042</u>	<u>4,278</u>
<b>Intergovernmental:</b>				
<b>State:</b>				
State Shared Taxes	1,635,365	1,635,365	1,635,244	(121)
Fire Insurance Dues	16,000	16,000	22,040	6,040
Law Enforcement	4,800	4,800	19,861	15,061
Transportation	422,498	422,498	430,105	7,607
Connecting Highway Aid	79,365	79,365	79,512	147
Sanitation Grant	27,000	27,000	26,888	(112)
State Aid - Exempt Computer	26,210	26,210	26,207	(3)
State Aid - Other	-	-	20,422	20,422
Payment for Municipal Services	24,570	24,570	23,677	(893)
Total Intergovernmental	<u>2,235,808</u>	<u>2,235,808</u>	<u>2,283,956</u>	<u>48,148</u>
<b>Licenses and Permits:</b>				
<b>Licenses:</b>				
Liquor and Malt Beverage Operators, Cigarette, and Other Licenses	11,433	11,433	11,254	(179)
Cable Television Fees	13,185	13,185	11,376	(1,809)
Dog	103,931	103,931	80,269	(23,662)
	16,160	16,160	5,297	(10,863)
<b>Permits:</b>				
Building	35,000	35,000	37,838	2,838
Electrical Permits	10,000	10,000	5,825	(4,175)
Plumbing Permits	3,500	3,500	2,186	(1,314)
Heating and Air Conditioning Permits	5,000	5,000	3,200	(1,800)
Other Permits	7,150	7,150	8,443	1,293
Zoning Fees	3,000	3,000	2,355	(645)
Parking Permits	2,000	2,000	6,981	4,981
Total Licenses and Permits	<u>210,359</u>	<u>210,359</u>	<u>175,024</u>	<u>(35,335)</u>
<b>Fines and Forfeits:</b>				
Court Fines and Penalties	45,055	45,055	43,619	(1,436)
Parking Violations	30,000	30,000	23,061	(6,939)
Total Fines and Forfeits	<u>75,055</u>	<u>75,055</u>	<u>66,680</u>	<u>(8,375)</u>

**CITY OF RIPON, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL REVENUES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
Public Charges for Services:				
Garbage and Refuse Collection	\$ 20,000	\$ 20,000	\$ 120,599	\$ 100,599
Sale of Street Materials and Services	18,150	18,150	26,491	8,341
Other	9,185	9,185	4,990	(4,195)
Weed Control	2,000	2,000	4,210	2,210
Cemetery	19,900	19,900	52,806	32,906
Recreation Charges:	5,450	5,450	12,926	7,476
License Publication Fees	2,962	2,962	372	(2,590)
Police Department Fees	2,850	2,850	3,373	523
Fire Department Fees	12,000	12,000	34,315	22,315
Total Public Charges for Services	92,497	92,497	260,082	167,585
Intergovernmental Charges for Services:				
Police Liaison	208,036	208,036	58,822	(149,214)
Miscellaneous:				
Investment Income	27,110	27,110	(54,018)	(81,128)
Interest from TID Advance	150	150	-	(150)
Property Sales	-	-	12,455	12,455
Insurance Recoveries	-	-	47,444	47,444
Miscellaneous	54,549	54,549	49,838	(4,711)
Total Miscellaneous	81,809	81,809	55,719	(26,090)
 Total Revenues	 <u>\$ 5,268,328</u>	 <u>\$ 5,268,328</u>	 <u>\$ 5,269,325</u>	 <u>\$ 997</u>



**CITY OF RIPON, WISCONSIN  
GENERAL FUND  
DETAILED COMPARISON OF BUDGETED AND ACTUAL EXPENDITURES  
YEAR ENDED DECEMBER 31, 2021**

	Budget		Actual	Variance
	Original	Final		Final Budget - Positive (Negative)
<b>General Government:</b>				
Common Council	\$ 46,728	\$ 46,728	\$ 55,022	\$ (8,294)
City Attorney	131,762	131,762	131,724	38
City Administration	465,827	465,827	534,052	(68,225)
Elections	13,525	13,525	9,857	3,668
Insurance	107,417	107,417	119,824	(12,407)
Contingency	30,000	30,000	-	30,000
Total General Government	<u>795,259</u>	<u>795,259</u>	<u>850,479</u>	<u>(55,220)</u>
<b>Public Safety:</b>				
Law Enforcement	2,095,868	2,095,868	2,132,562	(36,694)
Fire Department	352,873	352,873	378,779	(25,906)
Inspection	51,372	51,372	44,484	6,888
Emergency Government	2,400	2,400	158	2,242
Total Public Safety	<u>2,502,513</u>	<u>2,502,513</u>	<u>2,555,983</u>	<u>(53,470)</u>
<b>Public Works:</b>				
Public Works Administration and Engineering	28,292	28,292	16,712	11,580
Garage	306,537	306,537	324,219	(17,682)
Street Maintenance	989,199	989,199	1,123,865	(134,666)
Cemetery	86,365	86,365	73,266	13,099
Solid Waste	403,528	403,528	427,949	(24,421)
Total Public Works	<u>1,813,921</u>	<u>1,813,921</u>	<u>1,966,011</u>	<u>(152,090)</u>
<b>Health and Human Services:</b>				
Animal Control	10,859	10,859	8,368	2,491
Cemetery	67,390	67,390	57,735	9,655
Total Health and Human Services	<u>78,249</u>	<u>78,249</u>	<u>66,103</u>	<u>12,146</u>
<b>Culture and Recreation:</b>				
Parks	134,818	134,818	122,199	12,619
Senior Center	18,499	18,499	22,865	(4,366)
Cable TV	74,569	74,569	108,174	(33,605)
Total Culture and Recreation	<u>227,886</u>	<u>227,886</u>	<u>253,238</u>	<u>(25,352)</u>
Total Expenditures	<u>\$ 5,417,828</u>	<u>\$ 5,417,828</u>	<u>\$ 5,691,814</u>	<u>\$ (273,986)</u>

**CITY OF RIPON, WISCONSIN**  
**COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

	Special Revenue								
	CDBG Revolving Loans	CDBG Housing	Emergency Medical Services	Library	Community Promotion	Donations	Taxi	City Revolving Loans	Equipment Replacement
<b>ASSETS</b>									
Cash and Investments	\$ -	\$ 50,107	\$ 325,800	\$ 694,328	\$ 132,330	\$ 688,626	\$ -	\$ 149,821	\$ 45,257
Receivables:									
Taxes and Special Charges	-	-	-	329,493	-	-	-	-	-
Accounts, Net	-	-	136,949	-	42,929	-	51,288	-	-
Loans	11,304	694,888	-	-	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-	-	-	-	-
Prepaid supplies and items	-	-	241	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 11,304</b>	<b>\$ 744,995</b>	<b>\$ 462,990</b>	<b>\$ 1,023,821</b>	<b>\$ 175,259</b>	<b>\$ 688,626</b>	<b>\$ 51,288</b>	<b>\$ 149,821</b>	<b>\$ 45,257</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts Payable	\$ -	\$ -	\$ 749	\$ 55,154	\$ 16,940	\$ -	\$ 20,624	\$ 180	\$ -
Accrued and Other Current Liabilities	-	-	22,705	4,924	-	-	-	-	-
Due to Other Funds	19,141	-	-	-	-	-	219,667	-	-
Advance from Other Funds	-	-	-	-	-	-	-	-	-
<b>Total Liabilities</b>	<b>19,141</b>	<b>-</b>	<b>23,454</b>	<b>60,078</b>	<b>16,940</b>	<b>-</b>	<b>240,291</b>	<b>180</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Property Taxes Levied for Subsequent Year	-	-	-	448,344	-	-	-	-	-
Loans Receivable	11,304	694,888	-	-	-	-	-	-	-
<b>Total Deferred Inflows of Resources</b>	<b>11,304</b>	<b>694,888</b>	<b>-</b>	<b>448,344</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	241	-	-	-	-	-	-
Restricted	-	50,107	-	-	-	-	-	-	-
Committed	-	-	439,295	515,399	158,319	688,626	-	149,641	45,257
Unassigned	(19,141)	-	-	-	-	-	(189,003)	-	-
<b>Total Fund Balances</b>	<b>(19,141)</b>	<b>50,107</b>	<b>439,536</b>	<b>515,399</b>	<b>158,319</b>	<b>688,626</b>	<b>(189,003)</b>	<b>149,641</b>	<b>45,257</b>
<b>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</b>	<b>\$ 11,304</b>	<b>\$ 744,995</b>	<b>\$ 462,990</b>	<b>\$ 1,023,821</b>	<b>\$ 175,259</b>	<b>\$ 688,626</b>	<b>\$ 51,288</b>	<b>\$ 149,821</b>	<b>\$ 45,257</b>

**CITY OF RIPON, WISCONSIN**  
**COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**

	Capital Projects				
	TID No. 4 Industrial Park	TID No. 5 Industrial Development	TID No. 6 Hwy 23W	TID No. 7 Hwy 44/49S	TID No. 9 Hwy 44/Olden Road
<b>ASSETS</b>					
Cash and Investments	\$ 84,144	\$ 44,266	\$ 84,724	\$ -	\$ 745,052
Receivables:					
Taxes and Special Charges	233,276	122,302	234,883	90,945	80,235
Accounts, Net	-	-	-	-	-
Loans	-	-	-	-	-
Advance to Other Funds	-	-	-	-	-
Prepaid supplies and items	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Assets	<u>\$ 317,420</u>	<u>\$ 166,568</u>	<u>\$ 319,607</u>	<u>\$ 90,945</u>	<u>\$ 825,287</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ -	\$ 151	\$ -	\$ -	\$ 151
Accrued and Other Current Liabilities	-	-	-	-	-
Due to Other Funds	-	-	-	11,153	-
Advance from Other Funds	-	-	-	557,015	-
Total Liabilities	<u>-</u>	<u>151</u>	<u>-</u>	<u>568,168</u>	<u>151</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	317,420	166,417	319,607	123,749	109,177
Loans Receivable	-	-	-	-	-
Total Deferred Inflows of Resources	<u>317,420</u>	<u>166,417</u>	<u>319,607</u>	<u>123,749</u>	<u>109,177</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	715,959
Committed	-	-	-	-	-
Unassigned	-	-	-	(600,972)	-
Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,972)</u>	<u>715,959</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>(600,972)</u>	<u>715,959</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 317,420</u>	<u>\$ 166,568</u>	<u>\$ 319,607</u>	<u>\$ 90,945</u>	<u>\$ 825,287</u>

**CITY OF RIPON, WISCONSIN**  
**COMBINING BALANCE SHEET — NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**DECEMBER 31, 2021**

	Capital Projects (Continued)				Totals
	TID No. 10 Hwy 23/Douglas	TID No. 12 Industrial Development Vermont/Hall	TID No. 14 Industrial Development	TID No. 15 Industrial Development	
<b>ASSETS</b>					
Cash and Investments	\$ 442,838	\$ 261,098	\$ 160,580	\$ 30,845	\$ 3,939,816
Receivables:					
Taxes and Special Charges	141,024	73,249	197,431	25,269	1,528,107
Accounts, Net	-	-	-	-	231,166
Loans	-	-	-	-	706,192
Advance to Other Funds	-	-	161,702	-	161,702
Prepaid supplies and items	-	-	-	-	241
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 583,862</u>	<u>\$ 334,347</u>	<u>\$ 519,713</u>	<u>\$ 56,114</u>	<u>\$ 6,567,224</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
<b>LIABILITIES</b>					
Accounts Payable	\$ 151	\$ 151	\$ 151	\$ -	\$ 94,402
Accrued and Other Current Liabilities	-	-	-	-	27,629
Due to Other Funds	-	-	-	-	249,961
Advance from Other Funds	-	-	-	134,865	691,880
Total Liabilities	<u>151</u>	<u>151</u>	<u>151</u>	<u>134,865</u>	<u>1,063,872</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Property Taxes Levied for Subsequent Year	191,892	99,671	268,646	34,383	2,079,306
Loans Receivable	-	-	-	-	706,192
Total Deferred Inflows of Resources	<u>191,892</u>	<u>99,671</u>	<u>268,646</u>	<u>34,383</u>	<u>2,785,498</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	-	241
Restricted	391,819	234,525	250,916	-	1,643,326
Committed	-	-	-	-	1,996,537
Unassigned	-	-	-	(113,134)	(922,250)
Total Fund Balances	<u>391,819</u>	<u>234,525</u>	<u>250,916</u>	<u>(113,134)</u>	<u>2,717,854</u>
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 583,862</u>	<u>\$ 334,347</u>	<u>\$ 519,713</u>	<u>\$ 56,114</u>	<u>\$ 6,567,224</u>

**CITY OF RIPON, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	Special Revenue						
	CDBG Revolving Loans	CDBG Housing	Emergency Medical Services	Library	Community Promotion	Donations	Taxi
<b>REVENUES</b>							
Taxes	\$ -	\$ -	\$ -	\$ 448,344	\$ 157,982	\$ -	\$ -
Intergovernmental	-	-	-	196,382	-	-	196,292
Public Charges for Services	-	-	366,903	8,840	-	-	105,402
Intergovernmental Charges for Services	-	-	49,366	-	-	-	-
Miscellaneous	43,855	39,016	4,146	166,870	2,080	113,051	-
Total Revenues	<u>43,855</u>	<u>39,016</u>	<u>420,415</u>	<u>820,436</u>	<u>160,062</u>	<u>113,051</u>	<u>301,694</u>
<b>EXPENDITURES</b>							
Current:							
Public Safety	-	-	578,256	-	-	-	-
Public Works	-	-	-	-	-	-	313,177
Culture and Recreation	-	-	-	687,064	-	-	-
Conservation and Development	553,142	34,814	-	-	120,183	-	-
Debt Service:							
Principal	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	-	-	-	-	-	-
Capital Outlay	-	-	128,080	-	-	-	-
Total Expenditures	<u>553,142</u>	<u>34,814</u>	<u>706,336</u>	<u>687,064</u>	<u>120,183</u>	<u>-</u>	<u>313,177</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(509,287)	4,202	(285,921)	133,372	39,879	113,051	(11,483)
<b>OTHER FINANCING USES</b>							
Transfers Out	-	-	-	-	-	(2,071)	-
<b>NET CHANGE IN FUND BALANCES</b>	(509,287)	4,202	(285,921)	133,372	39,879	110,980	(11,483)
Fund Balances - Beginning of Year	490,146	45,905	725,457	382,027	118,440	577,646	(177,520)
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ (19,141)</u>	<u>\$ 50,107</u>	<u>\$ 439,536</u>	<u>\$ 515,399</u>	<u>\$ 158,319</u>	<u>\$ 688,626</u>	<u>\$ (189,003)</u>

**CITY OF RIPON, WISCONSIN  
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

	Special Revenue (Continued)		Capital Projects			
	City Revolving Loans	Equipment Replacement	TID No. 4 Industrial Park	TID No. 5 Industrial Development	TID No. 6 Hwy 23W	TID No. 7 Hwy 44/49S
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 300,615	\$ 148,703	\$ 363,205	\$ 115,447
Intergovernmental	-	-	40,399	-	20,440	1
Public Charges for Services	-	-	-	-	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-
Miscellaneous	894	256	2,459	363	50,180	86,950
Total Revenues	894	256	343,473	149,066	433,825	202,398
<b>EXPENDITURES</b>						
Current:						
Public Safety	180	-	-	-	-	-
Public Works	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-
Conservation and Development	10,000	-	614	1,439	701	1,908
Debt Service:						
Principal	-	-	-	-	82,282	201,271
Interest and Fiscal Charges	-	-	-	-	13,507	43,153
Capital Outlay	-	-	-	-	-	-
Total Expenditures	10,180	-	614	1,439	96,490	246,332
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	(9,286)	256	342,859	147,627	337,335	(43,934)
<b>OTHER FINANCING USES</b>						
Transfers Out	-	-	(342,836)	(147,604)	(337,312)	-
<b>NET CHANGE IN FUND BALANCES</b>	(9,286)	256	23	23	23	(43,934)
Fund Balances - Beginning of Year	158,927	45,001	(23)	(23)	(23)	(557,038)
<b>FUND BALANCES - END OF YEAR</b>	\$ 149,641	\$ 45,257	\$ -	\$ -	\$ -	\$ (600,972)

**CITY OF RIPON, WISCONSIN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES —**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2021**

	Capital Projects (Continued)					Totals
	TID No. 9 Hwy 44/Olden Road	TID No. 10 Hwy 23/Douglas	TID No. 12 Industrial Development Vermont/Hall	TID No. 14 Industrial Development	TID No. 15 Industrial Development	
<b>REVENUES</b>						
Taxes	\$ 121,762	\$ 126,254	\$ 24,211	\$ 91,289	\$ 23,075	\$ 1,920,887
Intergovernmental	146	15,095	815	-	-	469,570
Public Charges for Services	-	-	-	-	-	481,145
Intergovernmental Charges for Services	-	-	-	-	-	49,366
Miscellaneous	5,276	2,810	2,102	169	-	520,477
Total Revenues	<u>127,184</u>	<u>144,159</u>	<u>27,128</u>	<u>91,458</u>	<u>23,075</u>	<u>3,441,445</u>
<b>EXPENDITURES</b>						
Current:						
Public Safety	-	-	-	-	-	578,436
Public Works	-	-	-	-	-	313,177
Culture and Recreation	-	-	-	-	-	687,064
Conservation and Development	1,439	1,439	1,439	2,221	1,321	730,660
Debt Service:						
Principal	-	-	-	-	-	283,553
Interest and Fiscal Charges	-	-	-	2,645	8,243	67,548
Capital Outlay	-	-	-	-	-	128,080
Total Expenditures	<u>1,439</u>	<u>1,439</u>	<u>1,439</u>	<u>4,866</u>	<u>9,564</u>	<u>2,788,518</u>
<b>EXCESS OF REVENUES OVER (UNDER)</b>						
<b>EXPENDITURES</b>	125,745	142,720	25,689	86,592	13,511	652,927
<b>OTHER FINANCING USES</b>						
Transfers Out	-	-	-	-	-	(829,823)
<b>NET CHANGE IN FUND BALANCES</b>	125,745	142,720	25,689	86,592	13,511	(176,896)
Fund Balances - Beginning of Year	590,214	249,099	208,836	164,324	(126,645)	2,894,750
<b>FUND BALANCES - END OF YEAR</b>	<u>\$ 715,959</u>	<u>\$ 391,819</u>	<u>\$ 234,525</u>	<u>\$ 250,916</u>	<u>\$ (113,134)</u>	<u>\$ 2,717,854</u>

**CITY OF RIPON, WISCONSIN  
 COMBINING STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 DECEMBER 31, 2021**

	Tax Collection Custodial Fund	FF/NN Landfill Custodial Fund	Totals
<b>ASSETS</b>			
Current Assets			
Cash and Investments	\$ 1,603,410	\$ 85,072	\$ 1,688,482
Receivables			
Taxes	4,445,189	-	4,445,189
Total Assets	<u>\$ 6,048,599</u>	<u>\$ 85,072</u>	<u>\$ 6,133,671</u>
<b>LIABILITIES</b>			
Accounts Payable	\$ -	\$ 141	\$ 141
<b>DEFERRED INFLOWS</b>			
Property Taxes Levied for Subsequent Year	6,048,599	-	6,048,599
<b>NET POSITION</b>			
Restricted	<u>\$ -</u>	<u>\$ 84,931</u>	<u>\$ 84,931</u>



**CITY OF RIPON, WISCONSIN  
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 YEAR ENDED DECEMBER 31, 2021**

	Tax Collection Custodial Fund	FF/NN Landfill Custodial Fund	Totals
<b>ADDITIONS</b>			
Taxes and Special Charges Collected	\$ 6,533,111	\$ 133,584	\$ 6,666,695
Interest	-	261	261
Total Additions	6,533,111	133,845	6,666,956
<b>DEDUCTIONS</b>			
Payments to Others	6,533,111	111,036	6,644,147
<b>CHANGE IN NET POSITION</b>	-	22,809	22,809
Net Position - Beginning of Year	-	62,122	62,122
<b>NET POSITION - END OF YEAR</b>	\$ -	\$ 84,931	\$ 84,931

**ADDITIONAL INDEPENDENT AUDITORS' REPORT  
FOR BASIC FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Mayor and City Council  
City of Ripon, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, 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 the City of Ripon, Wisconsin (the City), as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated November 18, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2021-001 and 2021-002 that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

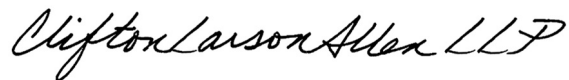
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Ripon, Wisconsin's Responses to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the City's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Sheboygan, Wisconsin  
November 18, 2022

**CITY OF RIPON, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES  
YEAR ENDED DECEMBER 31, 2021**

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***Internal Control Over Financial Reporting***

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<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
<b>2021-001</b>	<b>Preparation of Annual Financial Report</b> Repeat of Finding 2020-001
<b>Type of Finding:</b>	Material Weakness in Internal Control over Financial Reporting
<b>Condition:</b>	Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner.
<b>Criteria or Specific Requirement:</b>	The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.
<b>Cause:</b>	City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.
<b>Effect:</b>	The City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.
<b>Recommendation:</b>	We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.
<b>Views of Responsible Officials:</b>	Management believes the cost of additional staff time and training to prepare year-end closing entries and reports outweighs the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.

**CITY OF RIPON, WISCONSIN  
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2021**

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***Internal Control Over Financial Reporting (continued)***

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<b>FINDING NO.</b>	<b>CONTROL DEFICIENCIES</b>
<b>2021-002</b>	<b>Adjustments to the City's Financial Records</b>
<b>Type of Finding:</b>	Material Weakness in Internal Control over Financial Reporting
<b>Condition:</b>	As part of our audit, we proposed adjusting journal entries that were material to the City's financial statements.
<b>Criteria or Specific Requirement:</b>	Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.
<b>Cause:</b>	While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries required additional expertise that would entrap additional training and staff time to develop.
<b>Effect:</b>	Year-end financial records prepared by the City may contain material misstatements.
<b>Recommendation:</b>	We recommend the County designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.
<b>Views of Responsible Officials:</b>	Management believes that the cost of employing staff with the necessary expertise outweighs the benefits to be received. Management will continue to review and approve the financial statements and other information prior to issuance.



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