

CITY OF RICHLAND CENTER

Audit Presentation to the
City Council

For the Year Ended
December 31, 2024

November 4, 2025

*Prepared by:
Johnson Block & Company, Inc.
Certified Public Accountants*

CITY OF RICHLAND CENTER

2024 AUDIT OVERVIEW

- We have completed our audit of the City of Richland Center for the year ended December 31, 2024, and have issued our independent auditor's report on the financial statements of the City. Our report and the audited financial statements are presented in a bound document.
- We did not audit the financial statements of the Electric, Water and Sewer Enterprise Funds, which represent the amounts shown as the business-type activities. Those statements were audited by other auditors whose report has been furnished to us.
- Management has reviewed and accepted the financial statements and adjusting journal entries.
- A separate audit communications document designed for the City Council was also submitted and should be read in conjunction with the audited financial statements.
- We also prepared a regulatory report for 2024 that was filed with the Wisconsin Department of Revenue.

CITY OF RICHLAND CENTER

2024 FINANCIAL HIGHLIGHTS

- The City continues to maintain a strong financial position, with cash liquidity and healthy fund balances.
- The City's General Fund recorded a decrease to fund balance of \$206,134. Overall governmental fund balance decreased by \$539,044.
- Tax Incremental Financing District No. 6 revenues totaled \$130,832 for 2024, which includes \$130,478 in taxes and special assessments and \$354 in interest income. TIF District expenditures totaled \$90,200 on eligible projects and debt service.
- The City's Economic Development and Housing Loan Programs had loans receivable totaling \$614,064 outstanding as of December 31, 2024. These loans have been made to City property owners for improvement and development projects. The December 31, 2024 loan balance consisted of \$67,076 for the Revolving Loan Fund, \$471,850 for the Housing Fund, and \$75,138 for the General Fund. Loan loss reserves of \$79,965 have been recorded as an allowance against the outstanding balance.
- The City's General Fund has committed and assigned fund balances of \$2,629,482 set aside for future projects.

CITY OF RICHLAND CENTER

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – 2024 GOVERNMENTAL FUNDS

	Major General Fund	Nonmajor Funds	Total
REVENUES			
Taxes and special assessments	\$ 2,515,384	\$ 130,478	\$ 2,645,862
Intergovernmental	2,456,405	134,595	2,591,000
Licenses and permits	78,134	-	78,134
Penalties and forfeitures	39,386	-	39,386
Public charges for services	830,691	6,706	837,397
Interest	533,265	11,013	544,278
Miscellaneous general revenues	166,717	14,956	181,673
Total revenues	<u>6,619,982</u>	<u>297,748</u>	<u>6,917,730</u>
EXPENDITURES			
Current:			
General government	1,006,937	4,633	1,011,570
Public safety	1,968,689	-	1,968,689
Public works	1,400,880	-	1,400,880
Culture and recreation	866,524	402,943	1,269,467
Conservation and development	391,920	39,255	431,175
Capital outlay	1,426,344	12,825	1,439,169
Debt service:			
Principal	300,059	50,000	350,059
Interest and fiscal charges	120,734	19,575	140,309
Total expenditures	<u>7,482,087</u>	<u>529,231</u>	<u>8,011,318</u>
Excess (deficiency) of revenues over expenditures	<u>(862,105)</u>	<u>(231,483)</u>	<u>(1,093,588)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	404,093	290,000	694,093
Transfers in - utility tax equivalent	541,878	-	541,878
Transfers out	(290,000)	(396,468)	(686,468)
Proceeds from sale of capital asset	-	5,041	5,041
Total other financing sources (uses)	<u>655,971</u>	<u>(101,427)</u>	<u>554,544</u>
Net change in fund balances	(206,134)	(332,910)	(539,044)
Fund balances - January 1	<u>9,837,836</u>	<u>1,400,719</u>	<u>11,238,555</u>
Fund balances - December 31	<u>\$ 9,631,702</u>	<u>\$ 1,067,809</u>	<u>\$ 10,699,511</u>

CITY OF RICHLAND CENTER

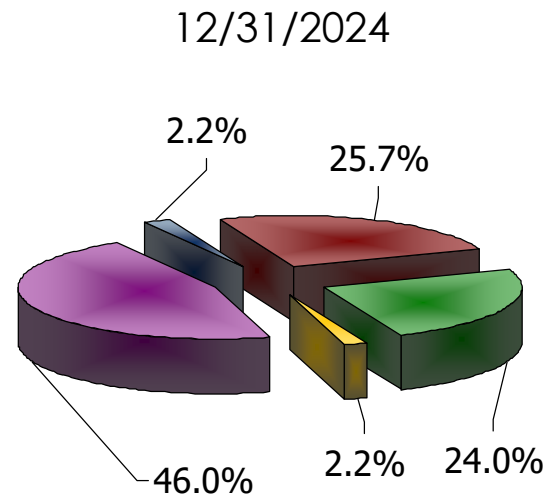
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE 2024 BUDGET AND ACTUAL – GENERAL FUND

	Budgeted Amounts		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
REVENUES				
Taxes and special assessments	\$ 2,472,065	\$ 2,472,065	\$ 2,515,384	\$ 43,319
Intergovernmental	6,383,373	6,383,373	2,456,405	(3,926,968)
Licenses and permits	61,729	61,729	78,134	16,405
Penalties and forfeitures	41,000	41,000	39,386	(1,614)
Public charges for services	629,182	629,182	830,691	201,509
Interest	229,800	229,800	533,265	303,465
Miscellaneous general revenues	2,040,178	2,040,178	166,717	(1,873,461)
Total revenues	11,857,327	11,857,327	6,619,982	(5,237,345)
EXPENDITURES				
Current:				
General government	1,565,711	1,565,711	1,006,937	558,774
Public safety	1,957,354	1,957,354	1,968,689	(11,335)
Public works	1,413,370	1,413,370	1,400,880	12,490
Culture and recreation	980,483	980,483	866,524	113,959
Conservation and development	374,335	374,335	391,920	(17,585)
Capital outlay	5,511,500	5,511,500	1,426,344	4,085,156
Debt service:				
Principal	345,000	345,000	300,059	44,941
Interest and fiscal charges	119,175	119,175	120,734	(1,559)
Total expenditures	12,266,928	12,266,928	7,482,087	4,784,841
Excess (deficiency) of revenues over expenditures	(409,601)	(409,601)	(862,105)	(452,504)
OTHER FINANCING SOURCES (USES)				
Transfers in	144,500	144,500	404,093	259,593
Transfers in - utility tax equivalent	594,888	594,888	541,878	(53,010)
Transfers out	(290,000)	(290,000)	(290,000)	-
Total other financing sources (uses)	449,388	449,388	655,971	206,583
Net change in fund balance	39,787	39,787	(206,134)	(245,921)
Fund balance - January 1	9,837,836	9,837,836	9,837,836	-
Fund balance - December 31	\$ 9,877,623	\$ 9,877,623	\$ 9,631,702	\$ (245,921)

CITY OF RICHLAND CENTER

GOVERNMENTAL FUND BALANCES

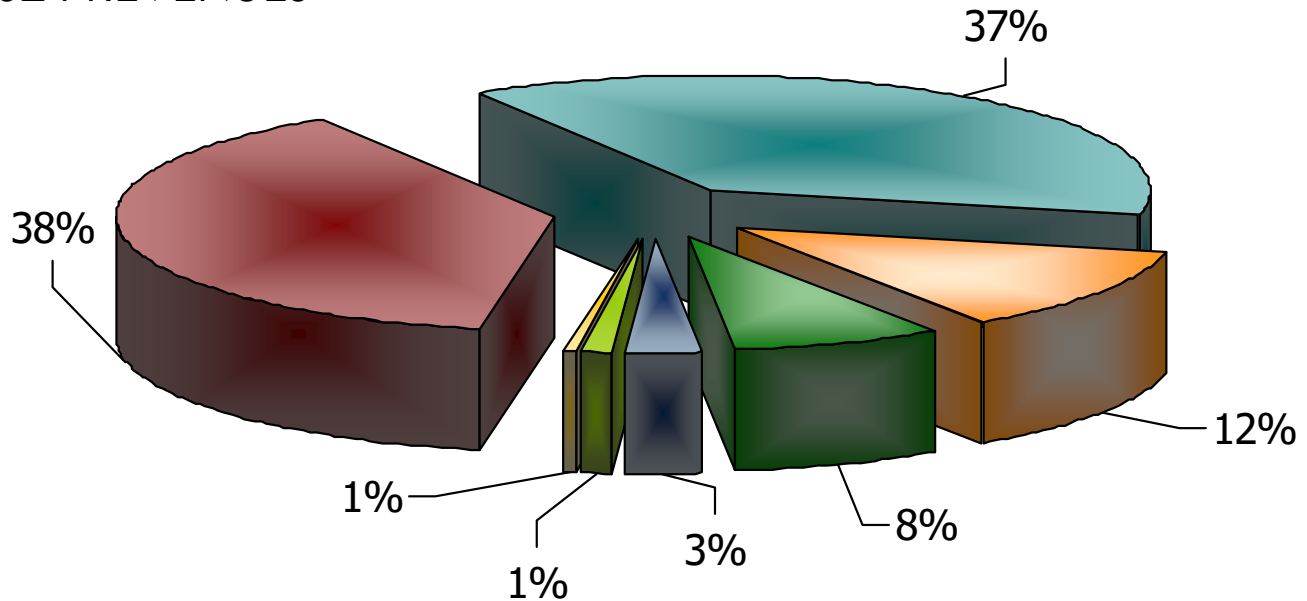
	2024	2023
Nonspendable		
General Fund:		
Prepayments	\$ 114,461	\$ 133,056
Economic development loans	75,138	88,928
Delinquent personal property taxes	45,300	46,491
Total nonspendable	234,899	268,475
Restricted		
General Fund:		
Landfill closure costs	621,179	612,882
Tourism expenditures	116,747	135,917
Affordable housing	836,774	1,037,545
Aquatic center	199,959	125,549
Future rural development	72,719	69,727
Nonmajor Funds:		
Housing economic development loans	622,493	620,590
Library subsequent year expenditures	221,455	178,141
Conservation and development	55,890	15,258
Total restricted	2,747,216	2,795,609
Committed		
General Fund:		
Aquatic center	15,000	7,988
Data processing	54,714	30,933
Airport	37,000	-
Historic preservation	-	10,648
Industrial park development	-	181,297
Building maintenance	60,000	63,158
Library projects	4,000	4,000
Public safety equipment	109,822	33,587
Forestry	800	800
Flood mitigation	-	36,216
Equipment replacement	465,837	396,651
Parking lots	-	403,855
Parks	203,922	92,475
Street projects and miscellaneous	1,614,700	411,398
Total committed	2,565,795	1,673,006
Assigned		
General Fund:		
Park and community center	11,907	11,417
Cemetery perpetual care	4,148	4,078
Canine units	47,495	41,895
Child safety	137	137
Nonmajor Funds:		
Revolving economic development loans	167,971	586,730
Total assigned	231,658	644,257
Unassigned		
General Fund	4,919,943	5,857,208
Total unassigned	4,919,943	5,857,208
Total governmental fund balances	\$ 10,699,511	\$ 11,238,555



- Nonspendable - \$234,899
- Restricted - \$2,747,216
- Committed - \$2,565,795
- Assigned - \$231,658
- Unassigned - \$4,919,943

CITY OF RICHLAND CENTER

GOVERNMENTAL FUNDS 2024 REVENUES



■ Taxes & Assessments	(\$2,645,862)
■ Intergovernmental	(\$2,591,000)
■ Public Charges for Services	(\$837,397)
■ Interest Income	(\$544,278)
■ Miscellaneous General Revenues	(\$181,673)
■ Licenses & Permits	(\$78,134)
■ Penalties & Forfeitures	(\$39,386)

OBSERVATIONS AND COMMENTS:

- Property taxes are collected in January and August.
- Intergovernmental revenues comprised 37% of total revenues in 2024.

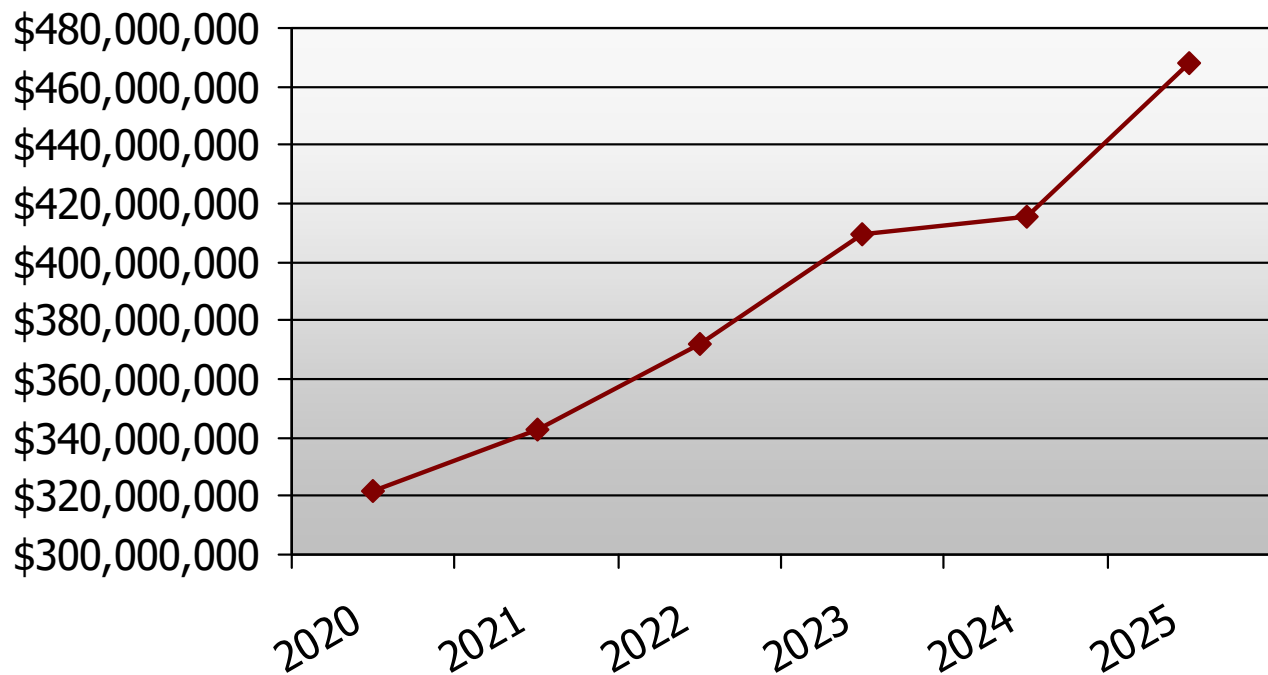
The most significant intergovernmental revenues are:

Shared taxes	\$ 1,614,731
Transportation grants	\$ 550,327

SOURCE: 12/31/2024 AUDITED FINANCIAL STATEMENTS

CITY OF RICHLAND CENTER

TREND IN EQUALIZED VALUE OF PROPERTY



Total Equalized Value (Includes TIF Increment)

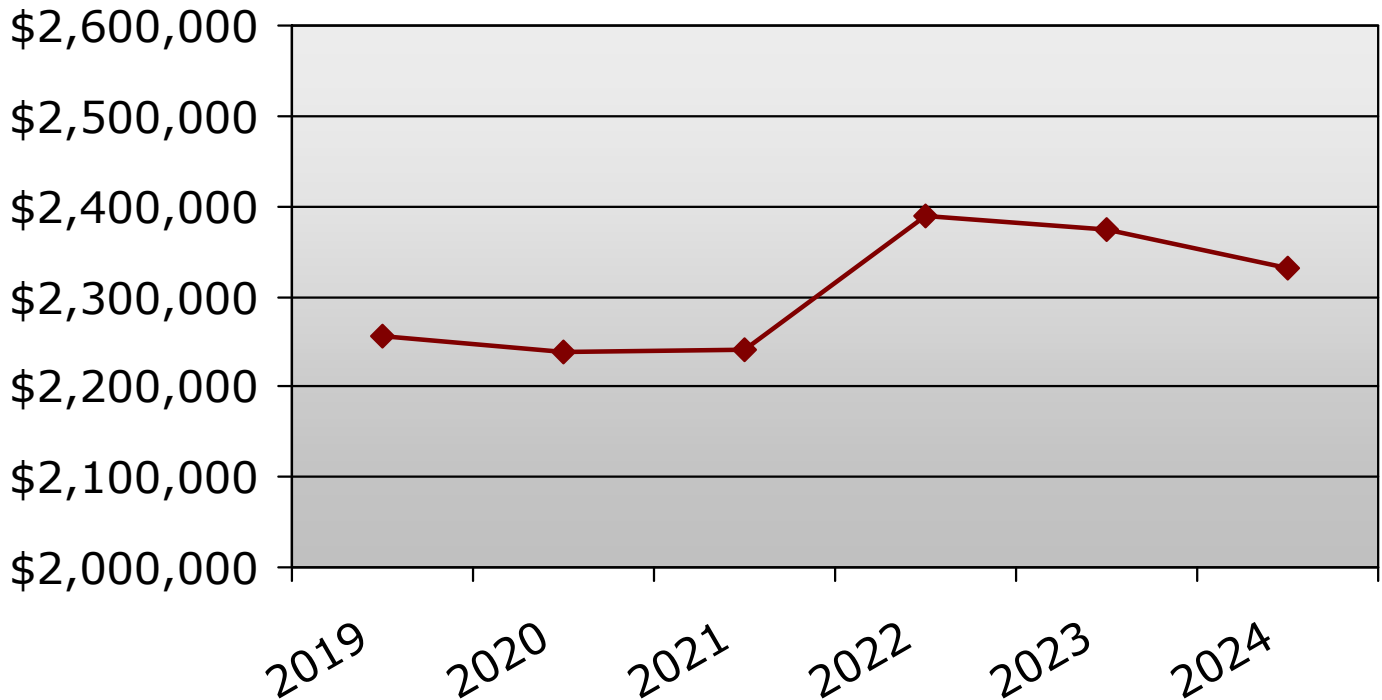
2020	\$ 321,772,700	2023	\$ 409,554,700
2021	\$ 343,120,200	2024	\$ 415,852,500
2022	\$ 372,268,100	2025	\$ 468,309,100

OBSERVATIONS AND COMMENTS:

- The City's overall valuation has increased 46% in the six year period presented here.

CITY OF RICHLAND CENTER

PROPERTY TAXES – EXCLUDING TAX INCREMENT LEVIES



Local Property Tax Levy (Excludes TIF)

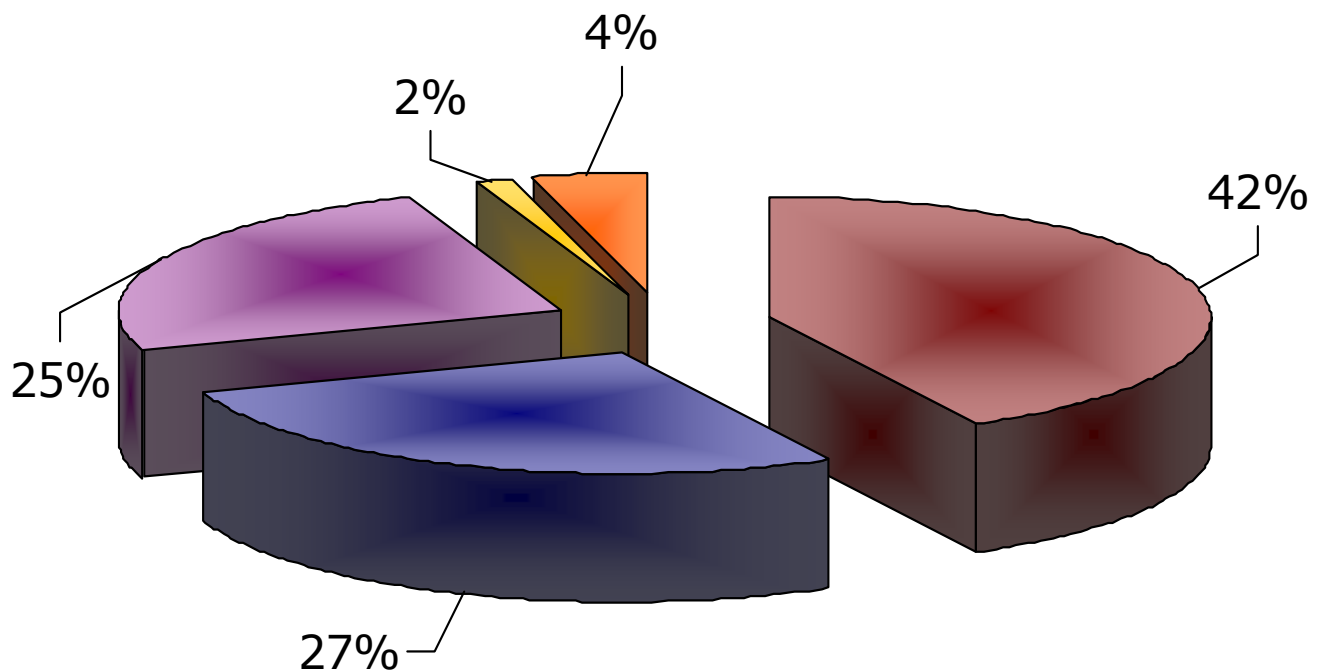
2019	\$ 2,255,897
2020	\$ 2,237,787
2021	\$ 2,240,967
2022	\$ 2,390,266
2023	\$ 2,375,000
2024	\$ 2,332,552

OBSERVATIONS AND COMMENTS:

- The City complied fully with the state imposed property tax levy limits.

CITY OF RICHLAND CENTER

PROPERTY TAX ROLL 2024 LEVY COLLECTED 2025

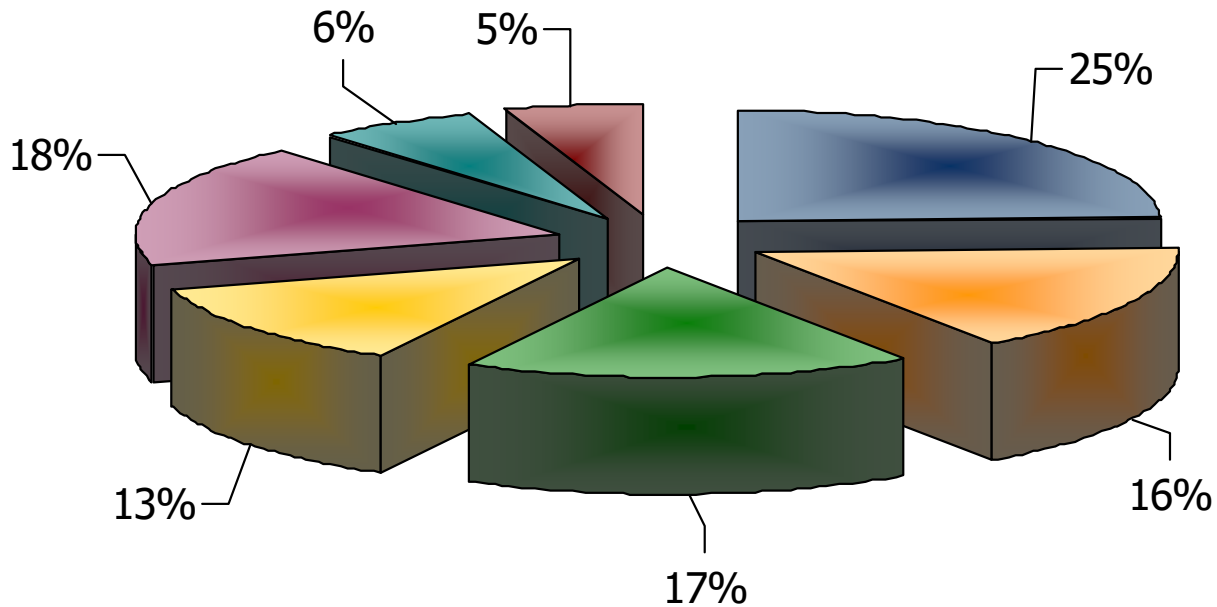


- Local School (\$3,588,680)
- City (\$2,332,552)
- County (\$2,094,654)
- TIF (\$128,985)
- VTAE (\$347,210)

SOURCE: 2024 STATEMENT OF TAXES –
FILED WITH WISCONSIN DEPARTMENT OF REVENUE

CITY OF RICHLAND CENTER

GOVERNMENTAL FUNDS 2024 EXPENDITURES



- Public Safety (\$1,968,689)
(includes police, fire, emergency service)
- Culture & Recreation (\$1,269,467)
(includes library, parks and recreation programming)
- Public Works (\$1,400,880)
(includes street construction, taxi and waste collection)
- General Government (\$1,011,570)
- Capital Outlay (\$1,439,169)
(includes public safety, road construction, parks)
- Debt Service (\$490,368)
- Conservation & Development (\$431,175)
(includes economic development and room tax)

CITY OF RICHLAND CENTER

CHANGES IN LONG-TERM OBLIGATIONS

➤ The following is a summary of long-term obligations for the year ended December 31, 2024:

	1/1/2024 Balance	Increases	Decreases	12/31/2024 Balance	Amounts Due Within One Year
Governmental Activities					
Direct borrowings and direct placements	\$ 570,561	\$ -	\$ (105,059)	\$ 465,502	\$ 105,059
Bonds	4,240,000	-	(245,000)	3,995,000	250,000
Bond premium	187,935	-	(11,746)	176,189	-
Subtotal	4,998,496	-	(361,805)	4,636,691	355,059
Other liabilities:					
Compensated absences	241,805	102,417	-	344,222	77,925
Termination benefits	87,314	34,887	(52,364)	69,837	51,428
Landfill post-closure care costs	345,626	72,516	(15,317)	402,825	15,600
Subtotal	674,745	209,820	(67,681)	816,884	144,953
Total governmental activities long-term liabilities	<u>\$ 5,673,241</u>	<u>\$ 209,820</u>	<u>\$ (429,486)</u>	<u>\$ 5,453,575</u>	<u>\$ 500,012</u>
Business-Type Activities					
Direct borrowings and direct placements	\$ 18,382,146	\$ 480,000	\$ (678,514)	\$ 18,183,632	\$ 729,025
Bonds	1,190,000	-	(285,000)	905,000	295,000
Subtotal	19,572,146	480,000	(963,514)	19,088,632	1,024,025
Other accrued liabilities:					
Compensated absences	298,572	62,781	(67,283)	294,070	-
Subtotal	298,572	62,781	(67,283)	294,070	-
Total business-type activities long-term liabilities	<u>\$ 19,870,718</u>	<u>\$ 542,781</u>	<u>\$ (1,030,797)</u>	<u>\$ 19,382,702</u>	<u>\$ 1,024,025</u>

OBSERVATIONS AND COMMENTS:

➤ The City's outstanding debt is structured favorably with interest rates at or below current market.

➤ General obligation debt limitation totals \$20,792,625 and debt subject to limitation totals \$4,460,502. The City has 79% of its debt capacity remaining at December 31, 2024.

CITY OF RICHLAND CENTER

SUMMARY OF TAX INCREMENTAL FINANCING DISTRICTS

- The City established TIF District No. 6 in 2017. The following is the cumulative status of the Districts as of December 31, 2024:

	Administration Expenses	Project Costs	Debt Service	Cumulative Expense/Cost Total	Cumulative District Revenues
TIF District No. 6	\$ 83,689	\$ 961,646	\$ 654,205	\$ 1,699,540	\$ 1,755,430

- The financial activity of the District has been financed by general obligation debt and advances from the General Fund.

- The 2024 equalized property valuations of the TIF Districts are as follows:

	Current Value	Base Value	Increment
TIF District No. 6	\$ 6,344,600	\$ 28,300	\$ 6,316,300