



VILLAGE OF RIDGEWAY, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2025

Johnson Block & Company, Inc.
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VILLAGE OF RIDGEWAY, WISCONSIN
DECEMBER 31, 2025
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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Ridgeway
Ridgeway, Wisconsin

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Ridgeway, Wisconsin ("Village"), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Village's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Ridgeway, Wisconsin, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof 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). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Village, 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 opinion.

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 Village'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.

Auditor's 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 auditor's 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 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, 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 the Village'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 the Village'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 budgetary comparison information and the Wisconsin Retirement System schedules 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 auditing standards generally accepted in the United States of America, 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.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinions on the basic financial statements are not affected by this missing information.



Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Village of Ridgeway's basic financial statements. The combining nonmajor fund financial statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Johnson Block & Company, Inc.

Johnson Block & Company, Inc.
May 18, 2026

Basic Financial Statements

Exhibit A-1
Village of Ridgeway, Wisconsin
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,429,157	\$ 297,256	\$ 1,726,413
Cash and investments - restricted		186,084	186,084
Receivables:			
Taxes	465,196		465,196
Customer	5,060	44,963	50,023
Lease		23,337	23,337
Internal balances	111,564	(111,564)	
Materials and supplies		2,765	2,765
Prepaid expenses	15,864	13,366	29,230
Total current assets	<u>2,026,841</u>	<u>456,207</u>	<u>2,483,048</u>
Noncurrent assets:			
Lease receivable		253,624	253,624
Capital assets, net of depreciation	3,285,427	7,121,600	10,407,027
Total noncurrent assets	<u>3,285,427</u>	<u>7,375,224</u>	<u>10,660,651</u>
Total assets	<u>5,312,268</u>	<u>7,831,431</u>	<u>13,143,699</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred interest on advance	195,495		195,495
Unamortized major repairs		98,289	98,289
Pension outflows	123,701	34,687	158,388
Total deferred outflows of resources	<u>319,196</u>	<u>132,976</u>	<u>452,172</u>
Total assets and deferred outflows of resources	<u>\$ 5,631,464</u>	<u>\$ 7,964,407</u>	<u>\$ 13,595,871</u>

Exhibit A-1 (Continued)
Village of Ridgeway, Wisconsin
Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 52,399	\$ 56,300	\$ 108,699
Accrued interest	1,479	839	2,318
Current portion of long-term debt	245,805	54,614	300,419
Total current liabilities	<u>299,683</u>	<u>111,753</u>	<u>411,436</u>
Current liabilities payable from restricted assets:			
Accrued interest		7,646	7,646
Current portion of revenue bonds		66,942	66,942
Total liabilities payable from restricted assets		<u>74,588</u>	<u>74,588</u>
Noncurrent liabilities:			
Revenue bonds payable	389,886	2,318,782	2,708,668
Notes payable	630,933	289,935	920,868
Net pension liability	21,163	5,934	27,097
Less: current portion	(245,805)	(121,556)	(367,361)
Total noncurrent liabilities	<u>796,177</u>	<u>2,493,095</u>	<u>3,289,272</u>
Total liabilities	<u>1,095,860</u>	<u>2,679,436</u>	<u>3,775,296</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	696,424		696,424
Deferred interest on advance	195,495		195,495
Pension inflows	87,117	24,429	111,546
Lease		270,243	270,243
Total deferred inflows of resources	<u>979,036</u>	<u>294,672</u>	<u>1,273,708</u>
NET POSITION			
Net investment in capital assets	2,264,608	4,600,491	6,865,099
Restricted for:			
Debt service - revenue bonds		83,106	83,106
Environmental projects	100,314		100,314
Equipment replacement		95,332	95,332
Unrestricted	1,191,646	211,370	1,403,016
Total net position	<u>3,556,568</u>	<u>4,990,299</u>	<u>8,546,867</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 5,631,464</u>	<u>\$ 7,964,407</u>	<u>\$ 13,595,871</u>

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-2
Village of Ridgeway, Wisconsin
Statement of Activities
For the Year Ended December 31, 2025

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expenses) Revenue and Changes in Net Position</u>		
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Total Governmental Activities</u>	<u>Business Type Activities</u>	<u>Total</u>
Primary government:							
Governmental activities:							
General government	\$ 393,823	\$ 6,146	\$ 120,213	\$	\$ (267,464)	\$	\$ (267,464)
Public safety	532,130	1,592	6,094		(524,444)		(524,444)
Public works	287,397		77,552		(209,845)		(209,845)
Sanitation	52,311	51,639	2,639		1,967		1,967
Leisure activities	154,798	52,481		67,644	(34,673)		(34,673)
Interest and fiscal charges	41,211				(41,211)		(41,211)
Total governmental activities	<u>1,461,670</u>	<u>111,858</u>	<u>206,498</u>	<u>67,644</u>	<u>(1,075,670)</u>		<u>(1,075,670)</u>
Business-type activities:							
Water	237,146	290,826				53,680	53,680
Sewer	426,930	272,976				(153,954)	(153,954)
Total business-type activities	<u>664,076</u>	<u>563,802</u>				<u>(100,274)</u>	<u>(100,274)</u>
Total primary government	<u>\$ 2,125,746</u>	<u>\$ 675,660</u>	<u>\$ 206,498</u>	<u>\$ 67,644</u>	<u>(1,075,670)</u>	<u>(100,274)</u>	<u>(1,175,944)</u>
General Revenues and Transfers:							
Property taxes							
General purposes					414,428		414,428
Tax increments					207,146		207,146
Other taxes					68		68
Federal and State aid not restricted for specific purposes							
General					185,595		185,595
Interest and investment earnings					68,557	13,910	82,467
Miscellaneous					16,318		16,318
Transfers					35,807	(35,807)	
Total general revenues and transfers					<u>927,919</u>	<u>(21,897)</u>	<u>906,022</u>
Changes in net position					(147,751)	(122,171)	(269,922)
Net position - beginning of year					3,704,319	5,112,470	8,816,789
Net position - end of year					<u>\$ 3,556,568</u>	<u>\$ 4,990,299</u>	<u>\$ 8,546,867</u>

Exhibit A-3
Village of Ridgeway, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2025

	General	TIF District #1	Capital Projects	Debt Service	Other Governmental Funds	Total
ASSETS						
Cash and investments	\$ 1,047,755	\$	\$ 165,986	\$ 73,714	\$ 141,702	\$ 1,429,157
Receivables:						
Taxes	189,029	170,545		105,622		465,196
Customer receivables	5,060					5,060
Due from other funds	228,970					228,970
Advances to other funds	623,783					623,783
Prepaid expenses	15,864					15,864
Total assets	<u>2,110,461</u>	<u>170,545</u>	<u>165,986</u>	<u>179,336</u>	<u>141,702</u>	<u>2,768,030</u>
DEFERRED OUTFLOWS OF RESOURCES						
Deferred interest on advance		195,495				195,495
Total assets, and deferred outflows of resources	<u>\$ 2,110,461</u>	<u>\$ 366,040</u>	<u>\$ 165,986</u>	<u>\$ 179,336</u>	<u>\$ 141,702</u>	<u>\$ 2,963,525</u>
LIABILITIES						
Accounts payable	\$ 30,901	\$	\$ 8,519	\$	\$ 12,979	\$ 52,399
Due to other funds		17,042			132,247	149,289
Advances from other funds		591,900				591,900
Total liabilities	<u>30,901</u>	<u>608,942</u>	<u>8,519</u>		<u>145,226</u>	<u>793,588</u>
DEFERRED INFLOWS OF RESOURCES						
Deferred revenues	314,539	257,943		159,749		732,231
Deferred interest on advance	195,495					195,495
Total deferred inflows of resources	<u>510,034</u>	<u>257,943</u>		<u>159,749</u>		<u>927,726</u>
FUND BALANCES						
Nonspendable	639,647					639,647
Restricted	100,314			19,587		119,901
Assigned			157,467			157,467
Unassigned (deficit)	829,565	(500,845)			(3,524)	325,196
Total fund balances	<u>1,569,526</u>	<u>(500,845)</u>	<u>157,467</u>	<u>19,587</u>	<u>(3,524)</u>	<u>1,242,211</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,110,461</u>	<u>\$ 366,040</u>	<u>\$ 165,986</u>	<u>\$ 179,336</u>	<u>\$ 141,702</u>	<u>\$ 2,963,525</u>

Exhibit A-4
Village of Ridgeway, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2025

Total fund balances - governmental funds:		\$ 1,242,211
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental funds are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position:		
Governmental capital assets	4,974,974	
Governmental accumulated depreciation	<u>(1,689,547)</u>	
		3,285,427
Pension deferred outflows and inflows of resources are actuarially determined by the defined benefit pension plan. These items are reflected in the statement of net position and are being amortized with pension expense in the statement of activities. The deferred outflows of resources and deferred inflows of resources are not financial resources or uses and therefore not reported in the fund statements.		
Deferred outflows of resources		123,701
Deferred inflows of resources		(87,117)
Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the fund statements.		
2025 tax equivalent from utility		35,807
Long-term liabilities, including notes and bonds payable, are not due and payable in the current period and therefore are not reported in the funds statements. Long-term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
Revenue bonds payable		(389,886)
Notes payable		(630,933)
Net pension liability		(21,163)
Accrued interest on general obligation debt		<u>(1,479)</u>
Total net position - governmental activities		<u><u>\$ 3,556,568</u></u>

Exhibit A-5
Village of Ridgeway, Wisconsin
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2025

	General	TIF District #1	Capital Projects	Formerly Nonmajor Fund Debt Service	Other Governmental Funds	Total
REVENUES						
Property taxes	\$ 275,876	\$ 207,146	\$	\$ 138,552	\$	\$ 621,574
Special assessments	341					341
Intergovernmental	394,646	1,231	3,050			398,927
Licenses and permits	17,964					17,964
Fines and forfeits	1,812					1,812
Public charges for services	51,639				14,298	65,937
Interest	68,775					68,775
Miscellaneous	3,867				99,474	103,341
Total revenues	<u>814,920</u>	<u>208,377</u>	<u>3,050</u>	<u>138,552</u>	<u>113,772</u>	<u>1,278,671</u>
EXPENDITURES						
Current:						
General government	317,779	1,211				318,990
Public safety	309,571					309,571
Public works	155,818					155,818
Leisure activities	95,262				53,691	148,953
Capital outlay:						
Public safety			220,000			220,000
Public works			18,543			18,543
Leisure activities			10,018		13,993	24,011
Debt service:						
Principal retirement		90,929		146,227		237,156
Interest and debt issuance costs		21,168		20,703		41,871
Total expenditures	<u>878,430</u>	<u>113,308</u>	<u>248,561</u>	<u>166,930</u>	<u>67,684</u>	<u>1,474,913</u>
Excess (deficiency) of revenues over expenditures	<u>(63,510)</u>	<u>95,069</u>	<u>(245,511)</u>	<u>(28,378)</u>	<u>46,088</u>	<u>(196,242)</u>
OTHER FINANCING SOURCES (USES)						
Loan proceeds			187,500	29,565		217,065
Transfers in	36,311					36,311
Total other financing sources (uses)	<u>36,311</u>		<u>187,500</u>	<u>29,565</u>		<u>253,376</u>
Net change in fund balances	<u>(27,199)</u>	<u>95,069</u>	<u>(58,011)</u>	<u>1,187</u>	<u>46,088</u>	<u>57,134</u>
Fund balance - beginning of year, as previously reported	1,596,725	(595,914)	215,478		(31,212)	1,185,077
Change within financial reporting entity (nonmajor to major fund)				18,400	(18,400)	
Fund balance - beginning of year, as restated	<u>1,596,725</u>	<u>(595,914)</u>	<u>215,478</u>	<u>18,400</u>	<u>(49,612)</u>	<u>1,185,077</u>
Fund balance - end of year	<u>\$ 1,569,526</u>	<u>\$ (500,845)</u>	<u>\$ 157,467</u>	<u>\$ 19,587</u>	<u>\$ (3,524)</u>	<u>\$ 1,242,211</u>

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-6
Village of Ridgeway, Wisconsin
Reconciliation of Statement of Revenues, Expenditures, and Changes
in Fund Balance of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2025

Net change in fund balances - total governmental funds		\$ 57,134
<p>Amounts reported for governmental activities in the statement of activities are different because:</p> <p>The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities</p>		
Capital outlay reported in governmental fund statements	27,907	
Depreciation expenses reported in the statement of activities	<u>(246,087)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		(218,180)
<p>Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities</p>		
The amount of debt principal payments in the current year is:		237,155
<p>The issuance of long-term debt (e.g. bonds, notes) provides current financial resources to governmental funds but does not affect the statement of activities.</p>		
		(217,065)
<p>In governmental funds, special assessment collections are reflected as revenue when received. In the statement of activities, revenue is recognized when assessed.</p>		
Amount collected	<u>(559)</u>	(559)
<p>In governmental funds, the current year utility tax equivalent is deferred and recognized as revenue in the subsequent year. In the statement of activities, this amount is recognized as a transfer in the year accrued.</p>		
2024 utility tax equivalent recognized as revenue in 2025 in the governmental funds	(36,311)	
2025 utility tax equivalent recognized as a transfer in for the statement of activities	<u>35,807</u>	
		(504)
<p>In governmental funds, interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities, interest is reported as incurred.</p>		
The amount of interest paid during the current period	17,698	
The amount of interest accrued during the current period	<u>(17,038)</u>	
Interest paid is greater (less) than interest expensed by		660
<p>Pension expense reported in the governmental funds represents current year required contributions into the defined benefit pension plan. Pension expense in the statement of activities is actuarially determined by the defined benefit pension plan as the difference between the net pension asset/liability from the prior year to the current year, with some adjustments.</p>		
Difference between the required contributions into the defined benefit plan and the actuarially determined change in net pension asset/liability between years, with adjustments.		<u>(6,392)</u>
Change in net position - governmental activities		<u><u>\$ (147,751)</u></u>

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-7
Village of Ridgeway, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water Utility	Sewer Utility	Total
ASSETS			
Current assets:			
Cash	\$ 105,894	\$ 191,362	\$ 297,256
Restricted cash:			
Debt service	38,203	52,549	90,752
Replacement		95,332	95,332
Receivables:			
Customer	17,324	27,639	44,963
Lease	23,337		23,337
Prepaid expenses	6,683	6,683	13,366
Materials and supplies	2,722	43	2,765
Total current assets	<u>194,163</u>	<u>373,608</u>	<u>567,771</u>
Noncurrent assets:			
Lease receivable	253,624		253,624
Capital assets:			
Property, plant and equipment, net of depreciation	<u>2,273,955</u>	<u>4,847,645</u>	<u>7,121,600</u>
Total noncurrent assets	<u>2,527,579</u>	<u>4,847,645</u>	<u>7,375,224</u>
Total assets	<u>2,721,742</u>	<u>5,221,253</u>	<u>7,942,995</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension outflows	13,780	20,907	34,687
Unamortized major repairs	<u>98,289</u>		<u>98,289</u>
Total deferred outflows of resources	<u>112,069</u>	<u>20,907</u>	<u>132,976</u>
Total assets and deferred outflows of resources	<u>\$ 2,833,811</u>	<u>\$ 5,242,160</u>	<u>\$ 8,075,971</u>

Exhibit A-7 (Continued)
Village of Ridgeway, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2025

	Water Utility	Sewer Utility	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 47,529	\$ 8,771	\$ 56,300
Due to other funds	18,804	60,877	79,681
Accrued interest	839		839
Current portion of advances from other funds		12,200	12,200
Current portion of notes payable	54,614		54,614
Total current liabilities	<u>121,786</u>	<u>81,848</u>	<u>203,634</u>
Current liabilities (payable from restricted assets):			
Accrued interest	1,347	6,299	7,646
Current portion of revenue bonds	23,689	43,253	66,942
Total current liabilities (payable from restricted assets)	<u>25,036</u>	<u>49,552</u>	<u>74,588</u>
Long-term liabilities:			
Advances from other funds		31,883	31,883
Net pension liability	2,357	3,577	5,934
Revenue bonds	442,169	1,876,613	2,318,782
Notes payable	289,935		289,935
Less: current portion	(78,303)	(55,453)	(133,756)
Total long-term liabilities	<u>656,158</u>	<u>1,856,620</u>	<u>2,512,778</u>
Total liabilities	<u>802,980</u>	<u>1,988,020</u>	<u>2,791,000</u>
DEFERRED INFLOWS OF RESOURCES			
Pension inflows	9,705	14,724	24,429
Lease	270,243		270,243
Total deferred inflows of resources	<u>279,948</u>	<u>14,724</u>	<u>294,672</u>
NET POSITION			
Net investment in capital assets	1,629,459	2,971,032	4,600,491
Restricted for:			
Debt service - revenue bonds	36,856	46,250	83,106
Equipment replacement		95,332	95,332
Unrestricted (deficit)	84,568	126,802	211,370
Total net position	<u>1,750,883</u>	<u>3,239,416</u>	<u>4,990,299</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 2,833,811</u>	<u>\$ 5,242,160</u>	<u>\$ 8,075,971</u>

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-8
Village of Ridgeway, Wisconsin
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2025

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Sales of water	\$ 252,628	\$	\$ 252,628
Measured sewer service		258,253	258,253
Penalties	532	933	1,465
Other	37,666	13,790	51,456
Total operating revenues	<u>290,826</u>	<u>272,976</u>	<u>563,802</u>
OPERATING EXPENSES			
Operation	160,041	209,047	369,088
Depreciation	56,989	175,847	232,836
Taxes	1,464	3,959	5,423
Total operating expenses	<u>218,494</u>	<u>388,853</u>	<u>607,347</u>
Operating income (loss)	<u>72,332</u>	<u>(115,877)</u>	<u>(43,545)</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	9,627	4,283	13,910
Interest expense	(18,652)	(38,077)	(56,729)
Net nonoperating revenues (expenses)	<u>(9,025)</u>	<u>(33,794)</u>	<u>(42,819)</u>
Income before contributions and transfers	63,307	(149,671)	(86,364)
Transfer of tax equivalent	<u>(35,807)</u>	<u></u>	<u>(35,807)</u>
Change in net position	27,500	(149,671)	(122,171)
Net position - beginning of year	<u>1,723,383</u>	<u>3,389,087</u>	<u>5,112,470</u>
Net position - end of year	<u>\$ 1,750,883</u>	<u>\$ 3,239,416</u>	<u>\$ 4,990,299</u>

Exhibit A-9
Village of Ridgeway Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water Utility	Sewer Utility	Total
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Received from customers	\$ 280,169	\$ 271,117	\$ 551,286
Payments to employees	(31,248)	(62,485)	(93,733)
Payments for employee benefits	(14,389)	(8,167)	(22,556)
Payments to suppliers	(20,119)	(140,165)	(160,284)
Net cash provided by operating activities	<u>214,413</u>	<u>60,300</u>	<u>274,713</u>
CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(35,807)		(35,807)
Payment of advance from the general fund		(12,200)	(12,200)
Net cash (used by) operating activities	<u>(35,807)</u>	<u>(12,200)</u>	<u>(48,007)</u>
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(43,503)	(14,314)	(57,817)
Insurance proceeds related to capital assets		9,316	9,316
Principal payments	(76,342)	(42,344)	(118,686)
Interest payments	(18,857)	(38,218)	(57,075)
Net cash (used by) capital and related financing activities	<u>(138,702)</u>	<u>(85,560)</u>	<u>(224,262)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	9,627	4,283	13,910
Net change in cash and cash equivalents	49,531	(33,177)	16,354
Cash and cash equivalents - beginning of year	94,566	372,420	466,986
Cash and cash equivalents - end of year	<u>\$ 144,097</u>	<u>\$ 339,243</u>	<u>\$ 483,340</u>
Reconciliation of cash and cash equivalents to statement of net position accounts			
Cash and investments	\$ 105,894	\$ 191,362	\$ 297,256
Restricted cash	38,203	147,881	186,084
Cash and cash equivalents	<u>\$ 144,097</u>	<u>\$ 339,243</u>	<u>\$ 483,340</u>

The notes to the basic financial statements are an integral part of this statement.

Exhibit A-9 (Continued)
Village of Ridgeway Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2025

	Water Utility	Sewer Utility	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 72,332	\$ (115,877)	\$ (43,545)
Noncash items in operating income:			
Pension expense	(1,718)	(2,606)	(4,324)
Depreciation expense	59,293	175,847	235,140
Deferred lease inflows	(32,868)		(32,868)
Changes in assets and liabilities:			
Customer accounts receivable	(3,460)	(1,859)	(5,319)
Lease receivable	25,671		25,671
Inventories	(393)	(10)	(403)
Prepaid expenses	1,323	1,323	2,646
Unamortized well repairs	49,146		49,146
Accounts payable	45,086	3,482	48,568
Due to other funds	1		1
	<u>1</u>	<u> </u>	<u>1</u>
Net cash provided (used) by operating activities	<u>\$ 214,413</u>	<u>\$ 60,300</u>	<u>\$ 274,713</u>

Exhibit A-10
Village of Ridgeway, Wisconsin
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2025

	Custodial Fund
	Tax
	Collection Fund
ASSETS	
Cash and investments	\$ 243,072
Taxes receivable	474,439
 Total assets	 \$ 717,511
LIABILITIES	
Due to other taxing units	\$ 717,511
NET POSITION	
Restricted	
 Total liabilities and net position	 \$ 717,511

Exhibit A-11
 Village of Ridgeway, Wisconsin
 Statement of Changes in Fiduciary Net Position
 Fiduciary Funds
 For the Year Ended December 31, 2025

	<u>Custodial Fund</u>
	Tax
	<u>Collection Fund</u>
ADDITIONS	
Property tax collections for other governments	<u>\$ 538,391</u>
DEDUCTIONS	
Payments of taxes to other governments	<u>538,391</u>
Net increase (decrease) in fiduciary net position	
Net position - beginning of year	<u> </u>
Net position - end of year	<u><u>\$ </u></u>

Notes to the Basic Financial Statements

Village of Ridgeway, Wisconsin
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December 31, 2025

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Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Ridgeway is located in Iowa County, Wisconsin. The accounting policies of the Village of Ridgeway conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body establishing governmental accounting and financial reporting principles. Significant accounting policies and principles of the Village of Ridgeway are summarized below:

A. Reporting Entity

This report includes all of the funds of the Village of Ridgeway, Wisconsin. The reporting entity for the Village consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to or burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

B. Government-Wide and Fund Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from a legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The Village does not allocate indirect expenses to functions in the statement of activities. 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 or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund equity, revenues, and expenditure/expenses.

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

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Funds are organized in major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the Village or meets the following criteria:

- a. Total assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the Village believes is particularly important to financial statement users may be reported as a major fund.

Major Governmental Funds:

The Village reports the following major governmental funds:

General Fund – Accounts for the Village’s primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

TIF District #1 Fund – Accounts for the activity of tax increment district No. 1, including the payment of general long-term debt principal, interest, and related costs.

Capital Projects Fund – Accounts for financial resources to be used for the acquisition or construction of equipment and/or major capital facilities.

Debt Service Fund – Accounts for all financial resources restricted, committed, or assigned to expenditure for principal and interest.

For the year ended December 31, 2025, the debt service fund was moved from a nonmajor fund to a major fund.

Nonmajor Governmental Funds:

Special Revenue Funds – Accounts for proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specified purposes.

- Public Property and Events Fund – Accounts for the activity of the Village’s Community Center.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Major Enterprise Funds:

The Village reports the following major enterprise funds:

Water Utility – accounts for the operations of the water system

Sewer Utility – accounts for the operations of the sewer system

Fiduciary Funds (Not Included in Government-Wide Statements)

Fiduciary funds consist of pension (and other employee benefit) trust funds, private-purpose trust funds, investment funds, and custodial funds. Fiduciary funds should be used only to report resources held for individuals, private organizations, or other governments. A fund is presented as a fiduciary fund when all of the following criteria are met: a) The government *controls* the assets that finance the activity, b) Assets are *not* generated from the *government's own-source revenues* or from government-mandated or voluntary nonexchange transactions, c) Assets are administered through a *qualifying trust* or the government does *not* have *administrative involvement* and the assets are *not* generated from the *government's delivery of goods or services* to the beneficiaries, *or* the assets are for the benefit of *entities that are not part of the government's reporting entity*.

The Village reports the following fiduciary fund type:

Custodial Funds - used to account for assets held by the Village in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units. The Tax Collection Fund accounts for tax collections payable to overlying taxing jurisdictions in a custodial fund.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred, or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows of resources. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the Village considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences, and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aid and grants are recognized as revenues in the period the Village is entitled to the resources and the amounts are available. Amounts owed to the Village which are not available are recorded as receivables and deferred inflows of resources. Resources (typically cash) received before all eligibility requirements have been met are reported as assets and offset by unearned revenue (a liability) unless only a time requirement has not been met. In that case, deferred inflows of resources are reported rather than a liability.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and deferred inflows of resources.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

The Village reports deferred inflows of resources on its governmental funds balance sheet. Deferred inflows of resources arise from taxes levied in the current year, which are for subsequent year's operations. For governmental fund financial statements, deferred inflows of resources arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the deferred inflows of resources are removed from the balance sheet and revenue is recognized.

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

The 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 water and sewer utility are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administration expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Revenues and expenditures arising from nonexchange transactions, such as property and sales taxes, fines, and grants are recorded according to the Governmental Accounting Standards Board.

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Cash and Investments

Investments with remaining maturities at the time of purchase of one year or less are stated at amortized cost which approximates fair value. Investments with a maturity of more than one year at acquisition and non-money market investments are carried at fair value as determined by quoted market prices. For purposes of the statement of cash flows, all cash deposits, and highly liquid investments with an original maturity of three months or less (including restricted assets) are considered to be cash equivalents.

E. Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the Village, taxes are collected for and remitted to the state and county governments as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units in the accompanying custodial fund balance sheet.

Property tax calendar - 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
First installment due, or payment in full	January 31, 2026
Second installment due	July 31, 2026

Delinquent special charges and assessments are not paid in full by the county. Accounts receivables are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No provision for uncollectible accounts receivable has been made for the water and sewer utilities because they have the right by law to place delinquent bills on the tax roll.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Receivables (Continued)

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds," Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds," Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Lease Receivable

The Village's lease receivables are measured at the present value of lease payments expected to be received during the lease term.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

Leases – fund balance is not an available resource because it represents the year-end balance of the lease receivable in excess of the deferred inflow of resources for the lease receivable, which is not a spendable resource.

F. Inventories

Inventories of governmental fund types consist of expendable supplies held for consumption. Such items, which are not material, are considered expenditures when purchased and, accordingly, are not reflected on the Balance Sheet – Governmental Funds.

Inventories of proprietary fund types are valued at the lower-of-cost or market using the first-in, first-out method and are charged as expenses or are capitalized when used.

G. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Capital Assets

Government-Wide Statements

In the government-wide financial statements, capital assets are defined by the government as assets with an initial cost of more than \$5,000 and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired, or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation of all exhaustible fixed assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	20-50 Years
Improvements	20 Years
Machinery and Equipment	5-20 Years
Infrastructure	30-50 Years

Fund Financial Statements

In the fund financial statements, fixed assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Fixed assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

I. Compensated Absences

Under terms of employment, Village employees are granted vacations and sick leave in varying amounts. Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Any vacation and sick leave that has been accumulated will be forfeited upon termination or resignation. Compensated absences are immaterial to the financial statements.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums and less any discounts) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

K. Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year-end.

L. Equity Classifications

Government-Wide Statements

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets.
- b. Restricted net position - Consists of net position with constraints placed on their use either 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.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

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

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

L. Equity Classifications (Continued)

Fund Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- Nonspendable – includes amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.
- Restricted – includes amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government) through constitutional provisions, or by enabling legislation.
- Committed – includes amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.
- Assigned – includes amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.
- Unassigned – includes residual positive fund balance within the general fund which has not been classified within the other above-mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

The Board may, from time to time, commit additional amounts of fund balance to a specific purpose. Such action shall be taken in an open meeting and require the approval of a majority of the Board. Commitments of fund balance, once made, can be modified only by majority vote of the Board. As of December 31, 2025 the Village does not have any reserves that meet this component of fund balance.

The Village has established that the general fund unassigned fund balance should meet a minimum of 25% to 35% of the subsequent years budgeted general fund expenditures. If the unassigned fund balance exceeds the minimum unassigned general fund balance policy, the excess fund balance can be used to fund one-time items or transferred to capital projects to fund additional projects or reduce future borrowings. Excess fund balance will not be used to fund ongoing operational costs. The Village Board shall approve any usage or transfer of excess funds above the minimum policy. In the event the unassigned general fund balance is calculated to be less than the minimum requirement at the completion of any fiscal year, the Village will attempt to replenish the General Fund to an amount equal to the minimum fund balance policy.

When an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, it shall be the policy of the Village to consider restricted amounts to have been reduced first. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, it shall be the policy of the Village that committed amounts would be reduced first, followed by assigned amounts and then unassigned amounts.

M. Interfund Transactions

The water utility is charged for a tax equivalent due to the municipality. Payments in lieu of taxes are treated as revenues in the general fund.

The general fund pays a fire protection charge to the water utility. In addition, the water and sewer utilities provide basic services to departments in the general fund. Charges for fire protection and basic services are recorded as expenditures in the general fund.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

N. Risk Management

The Village is exposed to various risks of loss related to tort; theft of, damage to, and destruction of assets; errors and omission; injuries to employees; and natural disasters. The Village maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Village. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

O. Pensions

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for the purposes for measuring the following:

- Net Pension Liability (Asset)
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions
- Pension Expense

Information about the fiduciary net position of the 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.

P. Deferred Outflows and Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expenditure) until then. The Village reports deferred outflows of resources for unamortized major repairs related to painting the water tower in 2021. Tower maintenance costs of \$344,019 are being amortized to expense on a straight-line basis over seven-years per authorization from the PSC. The Village also reports deferred outflows for the WRS pension system.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The Village reports deferred inflows of resources for the WRS pension system, deferred property tax revenue, and leases.

The net position of the Village is significantly impacted by the effect of deferred outflows and inflows of resources from the pension plan.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 2 EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS
AND GOVERNMENT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

Explanation of Differences between Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Statement of Activities

Differences between the governmental funds statement of revenues, expenditures and changes in fund balance and the statement of activities fall into one of three broad categories.

- a. Long-term revenue differences arise because governmental funds report revenues only when they are considered “available”, whereas the statement of activities reports revenues when earned. Differences in long-term expenses arise because government funds report on a modified accrual basis whereas the accrual basis of accounting is used on the statement of activities.
- b. Capital related differences include (1) the difference between proceeds for the sale of capital assets reported on governmental fund statements and the gain or loss on the sale of assets as reported on the statement of activities, and (2) the difference between recording an expenditure for the purchase of capital items in the governmental fund statements, and capitalization and recording depreciation expense on those items as recorded in the statement of activities.
- c. Long-term debt transaction differences occur because long-term debt proceeds are recorded as revenue and both interest and principal payments are recorded as expenditures in the governmental fund statements. In the statement of activities, long-term debt proceeds are recorded as a liability, interest expense is recorded as incurred, and principal payments are recorded as a reduction of liabilities.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 3

CASH AND INVESTMENTS

At December 31, 2025, cash and investments included the following:

Deposits with financial institutions	\$ 2,155,507
Cash on hand	62
	<u>62</u>
	<u>\$ 2,155,569</u>

Cash and investments as of December 31, 2025, are classified in the accompanying financial statements as follows:

Exhibit A-1:	
Cash and investments	\$ 1,726,413
Cash and investments - restricted	186,084
Exhibit A-10:	
Cash and investments	243,072
Total Cash and Investments	<u>\$ 2,155,569</u>

Investments Authorized by Wisconsin State Statutes

Investment of Village funds is restricted by state statutes. Available investments are limited to:

- Time deposits in any credit union, bank, savings bank, trust company or savings and loan association.
- Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state.
- Bonds or securities issued or guaranteed by the federal government.
- The local government investment pool.
- Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- Repurchase agreements with public depositories, with certain conditions.
- Bonds issued by local exposition district, professional baseball park district, football stadium district, or arts district.
- Bonds issued by the University of Wisconsin Hospitals and Clinics Authority
- Bonds issued by the Wisconsin Aerospace Authority

The Village has adopted an investment policy which follows the state statute for allowable investments.

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.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Generally, credit risk is the risk that the issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments in commercial paper, corporate bonds and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The Village limits its investments as follows:

1. Any security which matures or which may be tendered for purchase at the option of the holder within not more than 7 years of the date on which it is acquired, if that security has a rating which is the highest or 2nd highest rating category assigned by Standard & Poor's corporation, Moody's investors service or other similar nationally recognized rating agency if that security is senior to, or on a parity with, a security of the same issuer which has such a rating.
2. Securities of an open-end management investment company or investment trust, if the investment company or investment trust does not charge a sales load, if the investment company or investment trust is registered under the investment company act of 1940, 15 USC 80a-1 to 80a-64, and if the portfolio of the investment company or investment trust is limited to the following: a) Bonds and securities issued by the federal government or a commission, board or other instrumentality of the federal government. b) Bonds that are guaranteed as to principal and interest by the federal government or a commission, board or other instrumentality of the federal government. c) Repurchase agreements that are fully collateralized by bonds or securities under subd. 5.a. or b.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Village would 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 risk for investments is the risk that, in the event of failure of the counterparty (e.g. broker-dealer) to a transaction, the Village would not be able to recover the value of its investment of collateral securities that are in possession of another party. The Village may request collateral for any deposits at any financial institution that exceed Federal Deposit Insurance Corporation insurance.

Federal Deposit Insurance Corporation (FDIC) Insurance

The insurance coverage of public unit accounts depends upon the type of deposit and the location of the insured depository institution. All time and savings deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. Separately, all demand deposits owned by a public unit and held by the public unit's official custodian in an insured depository institution within the State in which the public unit is located are added together and insured up to \$250,000. For the purpose of these rules, the term 'time and savings deposits' includes NOW accounts and money market deposit accounts but does not include interest bearing demand deposit accounts. The term 'demand deposits' means both interest-bearing and noninterest-bearing deposits that are payable on demand and for which the depository institution does not reserve the right to require advance notice of an intended withdrawal.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 3

CASH AND INVESTMENTS (CONTINUED)

Collateralization of Public Unit Deposits

Depending on applicable state or federal law, public unit deposits may be secured by collateral or assets of the bank. In the event of the failure of the bank, the FDIC will honor the collateralization agreement if the agreement is valid and enforceable under applicable law. The FDIC does not guarantee, however, that the collateral will be sufficient to cover the amount of the uninsured funds. As such, although it does not increase the insurance coverage of the public unit deposits, collateralization provides an avenue of recovery in the unlikely event of the failure of an insured bank.

Bank accounts are also insured by the State of Wisconsin Guarantee Fund in the amount of \$1,000,000. However, due to the relatively small size of the Guarantee Fund in relationship to the total deposits covered and other legal implications, recovery of material principal losses may not be significant to individual organizations.

As of December 31, 2025, \$500,000 of Village deposits were insured by FDIC and \$1,668,870 of the Village's deposits with financial institutions were in excess of FDIC limits. This amount was collateralized by securities pledged by the financial institution.

Fluctuating cash flows during the year due to tax collections, receipt of state aid, and proceeds from borrowing may have resulted in temporary balances during the year significantly exceeding uninsured amounts at the balance sheet date.

Concentration of Credit Risk

The concentration of credit risk is the risk of loss attributed to the magnitude of the Village's investment in a single issuer. Government securities and investments in mutual funds are excluded from this risk.

The Village's investment policy states that investments shall be diversified by:

- Limiting investments to avoid over concentration in securities from a specific issuer, industry, or business sector, excluding U.S. Treasury obligations.
- Investing in securities with varying maturities.
- Continuously investing a portion of the investment portfolio in readily available funds such as local government investment pools, money market accounts, or money market mutual funds permissible under state statutes.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 212,679	\$	\$	\$ 212,679
Construction work in progress		21,807		21,807
Total capital assets not being depreciated	212,679	21,807		234,486
Other capital assets				
Buildings and improvements	1,383,482			1,383,482
Equipment and vehicles	386,766	6,100	(27,126)	365,740
Infrastructure	2,991,266			2,991,266
Total other capital assets at historical costs	4,761,514	6,100	(27,126)	4,740,488
Less accumulated depreciation for:				
Buildings and improvements	(230,202)	(68,615)		(298,817)
Equipment and vehicles	(246,424)	(34,903)	27,126	(254,201)
Infrastructure	(993,960)	(142,569)		(1,136,529)
Total accumulated depreciation	(1,470,586)	(246,087)	27,126	(1,689,547)
Net other capital assets	3,290,928	(239,987)	(54,252)	3,050,941
Total net capital assets	\$ 3,503,607	\$ (218,180)	\$ (54,252)	\$ 3,285,427

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 36,097
Public works, which includes the depreciation of infrastructure	179,369
Leisure activities	30,621
Total Governmental Activities Depreciation Expense	\$ 246,087

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 4

CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Additions	Salvage	Removals	Ending Balance
<u>Business-Type Activities:</u>					
Capital assets not being depreciated:					
Land and land rights	\$ 26,307	\$	\$	\$	\$ 26,307
Total capital assets not being depreciated	26,307				26,307
Capital assets being depreciated:					
Water:					
Source of supply	154,455				154,455
Pumping	124,868				124,868
Water treatment	2,980				2,980
Transmission and distribution	2,436,614	43,503		(1,260)	2,478,857
General plant	154,380				154,380
Sewer:					
Collecting system	1,372,343				1,372,343
Pumping system	155,312				155,312
Treatment and disposal	5,074,185	14,314		(9,064)	5,079,435
General plant	143,050				143,050
Total capital assets being depreciated	9,618,187	57,817		(10,324)	9,665,680
Less: accumulated depreciation for:					
Water	(591,768)	(59,293)		1,260	(649,801)
Sewer	(1,744,487)	(175,847)	(9,316)	9,064	(1,920,586)
Total accumulated depreciation	(2,336,255)	(235,140)	(9,316)	10,324	(2,570,387)
Net capital assets being depreciated	7,281,932	(177,323)	(9,316)		7,095,293
Total net capital assets	\$ 7,308,239	\$ (177,323)	\$ (9,316)	\$	\$ 7,121,600

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Sewer utility	\$ 175,847
Water utility	59,293
Total depreciation expense	235,140
Less: water depreciation expense allocated to sewer	(2,304)
Total depreciation expense per Exhibit A-8	\$ 232,836

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 5

LONG-TERM AND SHORT-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental activities</u>					
Direct borrowings and placements:					
General obligation notes	\$ 628,926	\$ 217,065	\$ (215,058)	\$ 630,933	\$ 223,303
Revenue bonds	411,983		(22,097)	389,886	22,502
Total governmental activities long-term liabilities	<u>\$ 1,040,909</u>	<u>\$ 217,065</u>	<u>\$ (237,155)</u>	<u>\$ 1,020,819</u>	<u>\$ 245,805</u>
<u>Business-type activities</u>					
Direct borrowings and placements:					
General obligation notes	\$ 343,046		\$ (53,111)	\$ 289,935	\$ 54,614
Revenue bonds	575,757		(29,775)	545,982	30,342
Revenue bonds - nondirect	1,808,600		(35,800)	1,772,800	36,600
Total business-type activities long-term liabilities	<u>\$ 2,727,403</u>	<u>\$</u>	<u>\$ (118,686)</u>	<u>\$ 2,608,717</u>	<u>\$ 121,556</u>

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments. Business-type activities debt is payable by revenues from user fees of those funds.

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2025
<u>Governmental activities</u>					
General obligation notes	10/13/2020	10/12/2027	2.95%	\$ 624,921	\$ 80,438
General obligation notes	12/10/2020	12/9/2027	2.60%	450,000	137,033
General obligation notes	12/5/2024	12/5/2031	3.75%	225,000	196,397
General obligation notes	11/12/2024	11/13/2025	3.60%	29,565	29,565
General obligation notes	12/4/2025	12/4/2035	3.59%	187,500	187,500
Total governmental activities - general obligation debt					<u>\$ 630,933</u>
<u>Business-type activities</u>					
General obligation notes	12/10/2020	12/9/2030	2.95%	\$ 540,000	<u>\$ 289,935</u>

General obligation notes dated October 13, 2020, have a credit limit of \$750,000. As of December 31, 2025, the Village has a credit line available of \$669,562.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 5

LONG-TERM AND SHORT-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows:

Years	Governmental Activities			Business-type Activities		
	Notes from Direct Borrowings and Direct Placements			Notes from Direct Borrowings and Direct Placements		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 223,303	\$ 13,404	\$ 236,707	\$ 54,614	\$ 8,268	\$ 62,882
2027	116,750	7,089	123,839	56,259	6,622	62,881
2028	49,143	4,534	53,677	57,939	4,941	62,880
2029	51,014	3,308	54,322	59,700	3,181	62,881
2030	52,940	2,036	54,976	61,423	1,382	62,805
2031-2035	137,783	715	138,498			
Totals	\$ 630,933	\$ 31,086	\$ 662,019	\$ 289,935	\$ 24,394	\$ 314,329

In accordance with Wisconsin Statutes, total general obligation indebtedness of the Village may not exceed five percent of the equalized value of taxable property within the Village's jurisdiction. The debt limit as of December 31, 2025 was \$3,969,365. Total general obligation debt outstanding at year-end was \$920,868.

Revenue Debt

Revenue bonds are payable only from revenues derived from operations. Revenue debt payable at December 31, 2025 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2025
<u>Governmental activities</u>					
Water system revenue bonds	1/22/2020	5/1/2039	1.65%	\$ 300,149	\$ 221,169
Water system revenue bonds	9/28/2022	5/1/2042	2.15%	192,671	168,717
					<u>\$ 389,886</u>
<u>Business-type activities</u>					
Sewer system revenue bonds	5/16/2019	5/1/2059	2.00%	\$ 1,791,000	\$ 1,604,800
Sewer system revenue bonds	5/16/2019	5/1/2059	2.38%	186,000	168,000
Water system revenue bonds	1/22/2020	5/1/2039	1.65%	312,400	230,196
Water system revenue bonds	9/28/2022	5/1/2042	2.15%	360,622	315,786
Total business-type activities - revenue debt					<u>\$ 2,318,782</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 5

LONG-TERM AND SHORT-TERM OBLIGATIONS (CONTINUED)

The May 16, 2019, sewer system revenue bonds issue has the following requirements:

- Establish and maintain a reserve account in the amount equal to the least of (a) \$7,200, (b) maximum annual debt service on the Bonds in any Bond Year and (c) 125% of average annual debt service on the Bonds in any Bond Year. The reserve account is to be accumulated in semi-annual installments of 5% until the account is equal to the reserve requirement. As of December 31, 2025, the utility had a balance of \$52,549 in the reserve account. This requirement was met for 2025.
- A depreciation fund to be used whenever necessary to restore any deficiency in the debt service reserve. Funds may be used for repairs, replacements, new construction, extensions or additions to the sewer system. The amount required is determined by the Village Board to be sufficient to provide a proper and adequate depreciation account for the sewer system. As of December 31, 2025, the utility had a balance of \$0 in the depreciation account.
- Net revenues of the sewer system will be at least 1.10 times the annual debt service requirement for each bond year. Net revenues for 2025 were \$59,971 and the requirement was \$79,545. This requirement was not met for 2025.

The January 22, 2020, and September 28, 2022, water system revenue bonds issue requires the Utility's net revenues be at least 1.10 times of the principal and interest coming due on all outstanding bonds payable each year. Net revenues for 2025 were \$129,321 and the requirement was \$67,941. The Utility met this requirement for 2025.

The water system revenue bonds resolution requires for the further protection of bond holders with a statutory mortgage lien, created by Section 66.066 of the Wisconsin Statutes, upon the system which is recognized as valid and binding upon the Village.

Under the provisions of the resolution, a portion of operating revenues must be set aside for the Debt Service Fund. An amount equal to one-sixth (1/6) of the next installment of interest coming due on the bonds and one-twelfth (1/12) of the next installment of principal of the bonds shall be transferred monthly. The balance in this account as of December 31, 2025 was \$38,203 and the requirement was \$38,203. This requirement was met for 2025.

Debt service requirements to maturity are as follows for governmental activities:

Years	Governmental Activities		
	Revenue Bonds from Direct		
	Borrowings and Direct Placements		
	Principal	Interest	Total
2026	\$ 22,502	\$ 7,062	\$ 29,564
2027	22,915	6,646	29,561
2028	23,335	6,222	29,557
2029	23,763	5,789	29,552
2030	24,199	5,349	29,548
2031-2035	127,827	19,852	147,679
2036-2040	122,194	7,696	129,890
2041-2042	23,151	499	23,650
Totals	\$ 389,886	\$ 59,115	\$ 449,001

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 5

LONG-TERM AND SHORT-TERM OBLIGATIONS (CONTINUED)

Debt service requirements to maturity are as follows for business-type activities:

Years	Business-type Activities					
	Revenue Bonds from Direct Borrowings and Direct Placements			Revenue Bonds - Nondirect		
	Principal	Interest	Total	Principal	Interest	Total
2026	\$ 30,342	\$ 10,283	\$ 40,625	\$ 36,600	\$ 35,714	\$ 72,314
2027	30,920	9,700	40,620	37,300	34,962	72,262
2028	31,509	9,105	40,614	38,000	34,197	72,197
2029	32,109	8,499	40,608	38,800	33,416	72,216
2030	32,721	7,881	40,602	39,700	32,618	72,318
2031-2035	173,210	29,706	202,916	210,700	150,523	361,223
2036-2040	171,844	12,509	184,353	233,200	127,968	361,168
2041-2045	43,327	932	44,259	258,300	102,991	361,291
2046-2050				286,000	75,304	361,304
2051-2055				316,600	44,657	361,257
2056-2060				277,600	11,453	289,053
Totals	\$ 545,982	\$ 88,615	\$ 634,597	\$ 1,772,800	\$ 683,803	\$ 2,456,603

NOTE 6

LEASES

Lease Receivable

The Village has entered into a lease arrangement where the Village leases land for commercial use. In the statement of activities, lease revenue for the year ended December 31, 2025, was as follows:

	Year ending December 31, 2025
Lease-related revenue	
Lease Revenue	
Land	\$ 25,671
Interest Revenue	8,014
Total	\$ 33,685

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2025 are as follows:

Year Ended December 31,	Principal	Interest	Total
2026	\$ 23,337	\$ 7,990	\$ 31,327
2027	24,999	7,267	32,266
2028	26,742	6,493	33,235
2029	28,566	5,666	34,232
2030	30,475	4,783	35,258
2031-2034	142,842	9,088	151,930
	\$ 276,961	\$ 41,287	\$ 318,248

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN

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, and expected to work at least 1,200 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/about-etf/reports-and-studies/financial-reports-and-statements>

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting. 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.

Benefits provided. 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 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual 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 participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment 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.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Post-Retirement 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:

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
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
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

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, including teachers, and 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 remainder 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 reporting period, the WRS recognized \$21,799 in contributions from the employer.

Contribution rates as of December 31, 2025 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.95%	6.95%
Protective with Social Security	6.95%	14.95%
Protective without Social Security	6.95%	18.95%

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

At December 31, 2025, the Village reported a liability (asset) of \$27,097 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The Village's proportion of the net pension liability (asset) was based on the Village's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the Village's proportion was 0.00164910%, which was an increase of 0.00164910% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the Village recognized pension expense of \$27,108.

At December 31, 2025, the Village reported deferred outflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 84,152	\$ (79,076)
Net differences between projected and actual earnings on pension plan investments	41,176	
Changes in assumptions	8,040	
Changes in proportion and differences between employer contributions and proportionate share of contributions		(32,470)
Employer contributions subsequent to the measurement date	25,020	
Total	\$ 158,388	\$ (111,546)

\$25,020 reported as deferred outflows related to pension resulting from the WRS Employer'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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 6,989
2027	46,846
2028	(23,234)
2029	(8,779)
Total	\$ 21,822

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*	1.7%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the total pension liability changed from the prior year, including seniority (merit) and separation rates. The total pension liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

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 geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns ¹ As of December 31, 2024			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	38%	7.0%	4.3%
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage ³	(12)	3.7	1.1
Total Core Fund	100%	7.5%	4.8%
Variable Fund Asset Class			
U.S. Equities	70%	6.5%	3.8%
International Equities	30	7.4	4.7
Total Variable Fund	100%	6.9%	4.2%
¹ Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations			
² New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.6%			
³ The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.			

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Single Discount rate. A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.08% (Source: “20-Bond GO Index” is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds’ average quality is roughly equivalent to Moody’s Investors Service’s Aa2 rating and Standard and Poor’s Corp.’s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% 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 member 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. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Village’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the Village’s proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the Village’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 (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
Village's proportionate share of the net pension liability (asset)	\$ 254,209	\$ 27,097	\$ (134,259)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

NOTE 8

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS

The following is a schedule of interfund receivables and payables at December 31, 2025:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	Public Property and Events	\$ 132,247
General	TIF District	17,042
General	Water	18,804
General	Sewer	60,877
		\$ 228,970

The Village has advanced cash to Tax Incremental Financing (TIF) District #1 to cover principal, interest and project costs. TIF #1 will repay the Village with future tax increments. Interest is being charged at 2.67% but is not required to be paid back until the TID is able to do so. TIF #1 paid interest of \$15,804 for 2025.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 8

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

In 1989, the Village of Ridgeway general fund advanced the sewer \$224,000 to assist the utility in payments of improvements to the sewer plant. The utility repays the general fund \$12,200 each year. In 1996, the Village of Ridgeway suspended payments from the utility until 2011 when payments were restarted. No interest is charged on the advance.

Interfund advances were as follows on December 31, 2025:

Receivable Fund	Payable Fund	Amount
Governmental Funds:		
General	TIF District #1	\$ 591,900
General	Sewer utility	31,883
Total		\$ 623,783

For the government-wide statement of net position, interfund balances which are owned within the governmental activities or business-type activities are netted and eliminated.

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Purpose
Governmental Funds:			
General	Water utility	\$ 36,311	Tax equivalent

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund the budget requires to expend them, (2) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations, and (3) move fund balances whose designated purpose has been removed.

NOTE 9

JOINT VENTURES

Ridgeway Volunteer Fire Department and Barneveld Area Rescue Squad

The Ridgeway Volunteer Fire Department volunteers elect a board to administer the business and decisions of the Department. The Board consists of eight members. The Department is funded primarily through equal appropriations from the Town of Ridgeway and the Village of Ridgeway.

Each municipality's cost is based on the amount of funds budgeted in the current year to be provided by each respective municipality. The participating municipalities and their percentage of costs are as follows:

Village of Ridgeway	50 %
Town of Ridgeway	50 %
	100 %

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 9

JOINT VENTURES (CONTINUED)

The municipalities participating in the Barneveld Area Rescue Squad share in the operation of the Rescue Squad based on their proportionate share of the population served. Municipalities participating and their percentages of costs for 2025 were as follows:

Village of Barneveld	39.51%
Town of Brigham	31.40%
Village of Ridgeway	19.02%
Town of Ridgeway	<u>10.07%</u>
	<u>100 %</u>

Summary financial information of the Ridgeway Fire District and Barneveld Area Rescue Squad are available at their offices. Transactions are not reflected in these financial statements.

NOTE 10

TAX INCREMENTAL DISTRICT

The Village of Ridgeway, Wisconsin Tax Incremental Financing District was created under the provisions of Wisconsin Statute Section 66.46. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the Districts. The tax on the increased value is called a tax increment.

Project costs may be incurred up to five years before the District’s mandatory termination date. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or for a maximum number of years. An industrial and mixed-use TID has the option to extend the maximum life by 5 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

The Village approved a 3-year technical college extension. This extension is reflected in the table below.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District #1	8/7/2007	8/7/2022	8/7/2030

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 10

TAX INCREMENTAL DISTRICT (CONTINUED)

Following is the cumulative status of the TIF District as of December 31, 2025:

	TID #1
Project revenues	
Tax increment	\$ 821,156
Intergovernmental	3,823
Lot sales	739,116
Other	104,191
Total revenues	1,668,286
Project costs	
Construction	1,972,987
Administration	13,359
Professional services and DOR fees	22,184
Interest and other fiscal charges	241,039
Total expenditures	2,249,569
Amount to be recovered through future increments	\$ 581,283
Reconciliation of recoverable costs	
Long-term notes payable	\$ 80,438
TID #1 fund balance - deficit	500,845
Total	\$ 581,283

As shown in Note 8, the general fund advanced cash to TID #1 to pay project costs. The balance of the advance as of December 31, 2025, is \$591,900. 2.67% interest rate is being charged in advance. The amounts to be recovered will be increased by interest charged in advance.

NOTE 11

DEFERRED INFLOWS OF RESOURCES

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes receivable for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer inflow recognition in connection with resources that have been received, but not yet earned. At December 31, 2025, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable	\$ 438,004
Tax increment receivable	257,942
2025 Water utility tax equivalent	35,807
Village share of closed managed forest land	478
Interest on advance to TID #1	195,495
Total	\$ 927,726

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 12

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2025 includes the following:

	General Fund	TIF District #1	Capital Projects	Debt Service	Other Governmental Funds
Nonspendable:					
Advances to other funds	\$ 623,783	\$	\$	\$	\$
Prepaid expenses	15,864				
Restricted for:					
Environmental projects	100,314				
Debt service				19,587	
Assigned for:					
Capital projects			157,467		
Unassigned (deficit)	829,565	(500,845)			(3,524)
Total fund balances	\$ 1,569,526	\$ (500,845)	\$ 157,467	\$ 19,587	\$ (3,524)

The following nonmajor fund had a (deficit) unassigned fund balance at December 31, 2025:

Public Property and Events Fund	\$ (3,524)
---------------------------------	------------

NOTE 13

BUSINESS-TYPE ACTIVITIES RESTRICTED NET POSITION

Restricted net position in the business-type activities and the proprietary funds consist of the following at December 31, 2025:

Sewer utility restricted net position	
Debt service - revenue bonds	\$ 46,250
Equipment replacement	95,332
Total sewer restricted net position	141,582
Water utility restricted net position	
Debt service - revenue bonds	36,856
Total utility restricted net position	\$ 178,438

As described in Note 5, May 16, 2019, sewer system revenue bonds require the utility to establish and maintain debt service and depreciation accounts. January 22, 2020, and September 28, 2022, water system revenue bonds require the utility to establish and maintain a debt service account.

Equipment replacement – Funds collected for recovery of construction costs are segregated and restricted as to use at the discretion of the Village board. A portion of the funds is to be used only for replacements or additions to the sewer plant.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2025

NOTE 14

TAX LEVY LIMIT

Wisconsin Act 32 imposes a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. Under 2011 Wisconsin Act 32, in 2011 and all future years, a municipality is allowed to increase its levy over the amount it levied in the prior year by the percentage increase in equalized value from net new construction or zero percent. All exceptions and modifications to levy limits that existed under previous law continue to apply.

In addition, as part of Wisconsin's Act 20 (2013), legislation was passed that further limits future tax levies. If the Village adopts a new fee or a fee increase for covered services (which were partly or wholly funded by property tax levy), the Village must reduce its levy limit in the current year by the amount of the new fee or fee increase, less any previous reductions. Covered services include garbage collection, snow plowing, and street sweeping.

NOTE 15

EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has adopted GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for periods beginning after June 15, 2025, GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for periods beginning after June 15, 2025 and GASB Statement No. 105, *Subsequent Events*, effective for periods beginning after June 15, 2026. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 16

CHANGE IN REPORTING ENTITY

Effective December 31, 2024, changes within the financial reporting entity resulted in restatements of beginning fund balance as follows:

	<u>Reporting Units Affected by Restatements of Beginning Balances</u>	
	Debt Service	Other Governmental Funds
	<u> </u>	<u> </u>
12/31/2024, as previously reported	\$	\$ (31,212)
Change within financial reporting entity (nonmajor to major fund)	18,400	(18,400)
1/1/2025, as restated	<u>\$ 18,400</u>	<u>\$ (49,612)</u>

Required Supplementary Information

Exhibit B-1
Required Supplementary Information
Village of Ridgeway, Wisconsin
Budgetary Comparison Schedule for the General Fund
For the Year Ended December 31, 2025

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 275,398	\$ 275,398	\$ 275,876	\$ 478	\$ 478
Special assessments	332	332	341	9	9
Intergovernmental	267,426	267,426	394,646	127,220	127,220
Licenses and permits	5,020	5,020	17,964	12,944	12,944
Fines and forfeitures	1,350	1,350	1,812	462	462
Public charges for services	52,292	52,292	51,639	(653)	(653)
Interest income	60,000	60,000	68,775	8,775	8,775
Miscellaneous	12,538	12,538	3,867	(8,671)	(8,671)
Total revenues	<u>674,356</u>	<u>674,356</u>	<u>814,920</u>	<u>140,564</u>	<u>140,564</u>
EXPENDITURES					
Current:					
General government	176,480	176,480	317,779	(141,299)	(141,299)
Public safety	283,814	283,814	309,571	(25,757)	(25,757)
Public works	174,394	174,394	155,818	18,576	18,576
Leisure activities	102,398	102,398	95,262	7,136	7,136
Total expenditures	<u>737,086</u>	<u>737,086</u>	<u>878,430</u>	<u>(141,344)</u>	<u>(141,344)</u>
Excess (deficiency) of revenues over expenditures	<u>(62,730)</u>	<u>(62,730)</u>	<u>(63,510)</u>	<u>(780)</u>	<u>(780)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	<u>59,000</u>	<u>59,000</u>	<u>36,311</u>	<u>(22,689)</u>	<u>(22,689)</u>
Total other financing sources	<u>59,000</u>	<u>59,000</u>	<u>36,311</u>	<u>(22,689)</u>	<u>(22,689)</u>
Net changes in fund balance	(3,730)	(3,730)	(27,199)	(23,469)	(23,469)
Fund balance - beginning of year	<u>1,596,725</u>	<u>1,596,725</u>	<u>1,596,725</u>		
Fund balance - end of year	<u>\$ 1,592,995</u>	<u>\$ 1,592,995</u>	<u>\$ 1,569,526</u>	<u>\$ (23,469)</u>	<u>\$ (23,469)</u>

Exhibit B-2
Village of Ridgeway, Wisconsin
Wisconsin Retirement System Schedules
December 31, 2025

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
Last 10 Calendar Year*

Year ended December 31,	Proportion of the net pension liability (asset)	Proportionate share of the net pension liability (asset)	Covered- employee payroll	Collective net pension liability (asset) as a percentage of the Village's covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability (asset)
2024	0.00164910%	\$ 27,097	\$ 244,914	11.06%	98.79%

* The proportionate share of the net pension liability (asset) and other amounts presented above for each year were determined as of the calendar year-end that occurred 12 months prior to the financial reporting period.

SCHEDULE OF CONTRIBUTIONS
Last 10 Calendar Year**

Year ended December 31,	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
2025	\$ 25,020	\$ (25,020)	\$	\$ 282,382	8.86%
2024	21,813	(21,813)		244,914	8.91%

** The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

Village of Ridgeway, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

NOTE 1

BUDGET SCHEDULE

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1C to the financial statements.

The Village budget is adopted in accordance with state law. Budget amounts in the financial statements include appropriations authorized in the original budget resolution and designated carryovers from prior years. Revisions to the original budget are required by a statutory provision, which states that no expenditure can be made from an expired appropriation. The statutes also require publication of these budget revisions. Changes to the overall budget must be approved by a two-thirds board action. A formal budget is not required for the capital project fund and TIF district #1. Control for the TIF district is maintained by comparison to the project plan. Budgetary comparisons are not required for proprietary funds.

Appropriations for the general fund lapse at year-end unless specifically carried forward by Board action.

The Village does not utilize encumbrances in its budget process but does take into consideration certain appropriations, which do not lapse on an annual basis.

NOTE 2

EXCESS EXPENDITURES OVER APPROPRIATIONS

The following expenditures exceeded budget appropriations for the year ended December 31, 2025:

Expenditure	Excess Expenditures
General fund	
Current:	
General government	\$ 141,299
Public safety	25,757

Village of Ridgeway, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES

Changes in Benefit Terms and Assumptions related to Pension Liabilities (Assets)

Changes of benefit terms: There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

Village of Ridgeway, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:					
	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2022	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.4%	5.4%	5.4%	5.4%	5.4%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases:					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
Seniority/Merit:	0.1%-5.7%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	1.7%	1.7%	1.9%	1.9%	1.9%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015 - 2017.
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%).
*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.					

Village of Ridgeway, Wisconsin
Notes to Required Supplementary Information
December 31, 2025

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:					
	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
Actuarial Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS	30 Year closed from date of participation in WRS
Asset Valuation Method:	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)	Five Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases:					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%	0.1%-5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience -based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012 - 2014.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009 - 2011.
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%).	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality
*No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.					

Supplementary Information

Exhibit C-1
Village of Ridgeway, Wisconsin
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Public Property and Events	Totals
ASSETS		
Cash and investments	\$ 141,702	\$ 141,702
Total assets	\$ 141,702	\$ 141,702
LIABILITIES		
Accounts payable	\$ 12,979	\$ 12,979
Due to other funds	132,247	132,247
Total liabilities	145,226	145,226
FUND BALANCES		
Unassigned (deficit)	(3,524)	(3,524)
Total fund balances	(3,524)	(3,524)
Total liabilities, deferred inflows of resources, and fund balances	\$ 141,702	\$ 141,702

Exhibit C-2
Village of Ridgeway, Wisconsin
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended December 31, 2025

	<u>Formerly Nonmajor Fund Debt Service</u>	<u>Special Revenue Public Property and Events</u>	<u>Totals</u>
REVENUES			
Public charges for services	\$	\$ 14,298	\$ 14,298
Miscellaneous		99,474	99,474
Total revenues		113,772	113,772
EXPENDITURES			
Leisure activities		53,691	53,691
Capital outlay:			
Leisure activities		13,993	13,993
Total expenditures		67,684	67,684
Excess (deficiency) of revenues over expenditures		46,088	46,088
Fund balance - beginning of year, as previously reported	18,400	(49,612)	(31,212)
Change within financial reporting entity (nonmajor to major fund)	(18,400)		(18,400)
Fund balance - beginning of year, as restated		(49,612)	(49,612)
Fund balance - end of year	\$	\$ (3,524)	\$ (3,524)