



VILLAGE OF RIDGEWAY, WISCONSIN

FINANCIAL STATEMENTS

Including Independent Auditor's Report

As of and for the year ended December 31, 2024

Johnson Block & Company, Inc.
Certified Public Accountants
2500 Business Park Road
Mineral Point, Wisconsin 53565
(608) 987-2206

VILLAGE OF RIDGEWAY, WISCONSIN
DECEMBER 31, 2024
TABLE OF CONTENTS

Independent Auditor's Report	1
------------------------------------	---

Basic Financial Statements

Government-Wide Financial Statements

A-1	Statement of Net Position.....	4
A-2	Statement of Activities	6

Fund Financial Statements

A-3	Balance Sheet – Governmental Funds	7
A-4	Reconciliation of the Governmental Funds Balance Sheet with the Statement of Net Position	8
A-5	Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	9
A-6	Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	10
A-7	Statement of Net Position – Proprietary Funds	11
A-8	Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds	13
A-9	Statement of Cash Flows – Proprietary Funds	14
A-10	Statement of Fiduciary Net Position	16
A-11	Statement of Changes in Fiduciary Net Position.....	17

Notes to the Basic Financial Statements	18
---	----

Required Supplementary Information

B-1	Budgetary Comparison Schedule for the General Fund.....	49
B-2	Wisconsin Retirement System Schedules	50

Notes to Required Supplementary Information	51
---	----

Supplementary Information

C-1	Combining Balance Sheet – Nonmajor Governmental Funds	55
C-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds.....	56



INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of 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, 2024, 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, 2024, 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 and individual 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 19, 2025

Basic Financial Statements

Exhibit A-1
Village of Ridgeway, Wisconsin
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 1,182,069	\$ 292,572	\$ 1,474,641
Cash and investments - restricted		174,414	174,414
Receivables:			
Taxes	426,344		426,344
Special assessments	559		559
Customer		39,644	39,644
Leases		25,669	25,669
Other	109,868		109,868
Internal balances	123,763	(123,763)	
Due from other governments	20,281		20,281
Materials and supplies		2,362	2,362
Prepaid expenses	13,619	16,012	29,631
Total current assets	<u>1,876,503</u>	<u>426,910</u>	<u>2,303,413</u>
Noncurrent assets:			
Lease receivable		276,963	276,963
Capital assets:			
Property, plant and equipment	4,974,193	9,644,494	14,618,687
Less: accumulated depreciation	<u>(1,470,586)</u>	<u>(2,336,255)</u>	<u>(3,806,841)</u>
Net book value of capital assets	<u>3,503,607</u>	<u>7,308,239</u>	<u>10,811,846</u>
Total noncurrent assets	<u>3,503,607</u>	<u>7,585,202</u>	<u>11,088,809</u>
Total assets	<u>5,380,110</u>	<u>8,012,112</u>	<u>13,392,222</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred interest on advance	195,495		195,495
Unamortized major repairs		147,435	147,435
Pension outflows	<u>21,813</u>		<u>21,813</u>
Total deferred outflows of resources	<u>217,308</u>	<u>147,435</u>	<u>364,743</u>
Total assets and deferred outflows of resources	<u>\$ 5,597,418</u>	<u>\$ 8,159,547</u>	<u>\$ 13,756,965</u>

Exhibit A-1 (Continued)
Village of Ridgeway, Wisconsin
Statement of Net Position
December 31, 2024

	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 32,983	\$ 7,732	\$ 40,715
Accrued interest	2,139	839	2,978
Current portion of long-term debt	237,520	53,016	290,536
Total current liabilities	272,642	61,587	334,229
Current liabilities payable from restricted assets:			
Accrued interest		7,992	7,992
Current portion of revenue bonds		65,575	65,575
Total liabilities payable from restricted assets		73,567	73,567
Noncurrent liabilities:			
Revenue bonds payable	411,983	2,384,357	2,796,340
Notes payable	628,926	343,046	971,972
Less: current portion	(237,520)	(118,591)	(356,111)
Total noncurrent liabilities	803,389	2,608,812	3,412,201
Total liabilities	1,076,031	2,743,966	3,819,997
DEFERRED INFLOWS OF RESOURCES			
Deferred property tax revenues	621,573		621,573
Deferred interest on advance	195,495		195,495
Leases		303,111	303,111
Total deferred inflows of resources	817,068	303,111	1,120,179
NET POSITION			
Net investment in capital assets	2,462,698	4,668,444	7,131,142
Restricted for:			
Debt service - revenue bonds		74,758	74,758
Environmental projects	100,314		100,314
Equipment replacement		91,664	91,664
Unrestricted	1,141,307	277,604	1,418,911
Total net position	3,704,319	5,112,470	8,816,789
Total liabilities, deferred inflows of resources, and net position	\$ 5,597,418	\$ 8,159,547	\$ 13,756,965

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, 2024

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Total Governmental Activities	Business Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 261,014	\$ 7,624	\$ 13,863	\$	\$ (239,527)	\$	\$ (239,527)
Public safety	305,194	2,307	2,953	1,740	(298,194)		(298,194)
Public works	275,395		67,437	20,281	(187,677)		(187,677)
Sanitation	50,833	50,671	2,642		2,480		2,480
Leisure activities	89,048	39,814		306,560	257,326		257,326
Interest and fiscal charges	41,512				(41,512)		(41,512)
Total governmental activities	<u>1,022,996</u>	<u>100,416</u>	<u>86,895</u>	<u>328,581</u>	<u>(507,104)</u>		<u>(507,104)</u>
Business-type activities:							
Water	213,696	271,848				58,152	58,152
Sewer	<u>371,797</u>	<u>289,761</u>				<u>(82,036)</u>	<u>(82,036)</u>
Total business-type activities	<u>585,493</u>	<u>561,609</u>				<u>(23,884)</u>	<u>(23,884)</u>
Total primary government	<u>\$ 1,608,489</u>	<u>\$ 662,025</u>	<u>\$ 86,895</u>	<u>\$ 328,581</u>	<u>(507,104)</u>	<u>(23,884)</u>	<u>(530,988)</u>
General Revenues and Transfers:							
Property taxes							
General purposes					374,882		374,882
Tax increments					209,959		209,959
Other taxes					68		68
Federal and State aid not restricted for specific purposes							
General					180,363		180,363
Interest and investment earnings					68,615	6,615	75,230
Gain on sale of capital assets					4,500		4,500
Miscellaneous					40,803		40,803
Transfers					<u>36,311</u>	<u>(36,311)</u>	
Total general revenues and transfers					<u>915,501</u>	<u>(29,696)</u>	<u>885,805</u>
Changes in net position					408,397	(53,580)	354,817
Net position - beginning of year					3,295,922	5,166,050	8,461,972
Net position - end of year					<u>\$ 3,704,319</u>	<u>\$ 5,112,470</u>	<u>\$ 8,816,789</u>

Exhibit A-3
Village of Ridgeway, Wisconsin
Balance Sheet
Governmental Funds
December 31, 2024

	General	TIF District #1	Capital Projects	Other Governmental Funds	Total
ASSETS					
Cash and investments	\$ 853,399	\$ 67,789	\$ 114,055	\$ 146,826	\$ 1,182,069
Receivables:					
Taxes	192,957	139,848		93,539	426,344
Special assessment receivables	559				559
Customer receivables	4,962				4,962
Other			104,905		104,905
Due from other funds	232,208				232,208
Due from other governments				20,281	20,281
Advances to other funds	835,983				835,983
Prepaid expenses	13,619				13,619
Total assets	2,133,687	207,637	218,960	260,646	2,820,930
DEFERRED OUTFLOWS OF RESOURCES					
Deferred interest on advance		195,495			195,495
Total assets, and deferred outflows of resources	<u>\$ 2,133,687</u>	<u>\$ 403,132</u>	<u>\$ 218,960</u>	<u>\$ 260,646</u>	<u>\$ 3,016,425</u>
LIABILITIES					
Accounts payable	\$ 28,721	\$	\$ 3,482	\$ 778	\$ 32,981
Due to other funds				152,528	152,528
Advances from other funds		791,900			791,900
Total liabilities	28,721	791,900	3,482	153,306	977,409
DEFERRED INFLOWS OF RESOURCES					
Deferred revenues	312,746	207,146		138,552	658,444
Deferred interest on advance	195,495				195,495
Total deferred inflows of resources	508,241	207,146		138,552	853,939
FUND BALANCES					
Nonspendable	849,602				849,602
Restricted	100,314			18,400	118,714
Assigned			215,478		215,478
Unassigned (deficit)	646,809	(595,914)		(49,612)	1,283
Total fund balances	1,596,725	(595,914)	215,478	(31,212)	1,185,077
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 2,133,687</u>	<u>\$ 403,132</u>	<u>\$ 218,960</u>	<u>\$ 260,646</u>	<u>\$ 3,016,425</u>

Exhibit A-4
Village of Ridgeway, Wisconsin
Reconciliation of the Governmental Funds Balance Sheet
with the Statement of Net Position
December 31, 2024

Total fund balances - governmental funds:	\$ 1,185,077
---	--------------

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	4,974,193	
Governmental accumulated depreciation	<u>(1,470,586)</u>	
		3,503,607

Pension deferred outflows of resources are actuarially determined by the defined benefit pension plan. This item is reflected in the statement of net position and is being amortized with pension expense in the statement of activities. The deferred outflows of resources are not financial resources or uses and therefore not reported in the fund statements.

21,813

Other long-term assets that are not available to pay for current-period expenditures and therefore are deferred in the fund statements.

2024 tax equivalent from utility		36,311
Special assessments		559

Long-term liabilities, including 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		(411,983)
Notes payable		(628,926)
Accrued interest on general obligation debt	<u>(2,139)</u>	

Total net position - governmental activities	<u><u>\$ 3,704,319</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, 2024

			Formerly Nonmajor Fund	Formerly Major Fund	Special Revenue Formerly Major Fund	Other Governmental Funds	Total
	General	TIF District #1	Capital Projects	Debt Service	Public Property and Events		
REVENUES							
Property taxes	\$ 247,720	\$ 209,959	\$ 24,994	\$	\$	\$ 102,168	\$ 584,841
Special assessments	1,291						1,291
Intergovernmental	272,830	431	217,284			20,281	510,826
Licenses and permits	7,474						7,474
Fines and forfeits	2,457						2,457
Public charges for services	50,671					9,166	59,837
Interest	68,615						68,615
Miscellaneous	14,014		16,123			126,393	156,530
Total revenues	665,072	210,390	258,401			258,008	1,391,871
EXPENDITURES							
Current:							
General government	232,641	2,646					235,287
Public safety	314,690						314,690
Public works	141,116						141,116
Leisure activities	30,681					37,371	68,052
Capital outlay:							
General government			675				675
Public works	18,074		3,500				21,574
Leisure activities			581,966			21,159	603,125
Conservation & economic development		290					290
Debt service:							
Principal retirement		93,833				115,838	209,671
Interest and debt issuance costs		27,306				14,643	41,949
Total expenditures	737,202	124,075	586,141			189,011	1,636,429
Excess (deficiency) of revenues over expenditures	(72,130)	86,315	(327,740)			68,997	(244,558)
OTHER FINANCING SOURCES (USES)							
Loan proceeds			225,000			29,568	254,568
Sale of capital assets	4,500						4,500
Transfers in	41,265		327,741			70,776	439,782
Transfers out	(398,517)						(398,517)
Total other financing sources (uses)	(352,752)		552,741			100,344	300,333
Net change in fund balances	(424,882)	86,315	225,001			169,341	55,775
Fund balance - beginning of year, as previously reported	2,021,607	(682,229)		17,145	(126,641)	(100,580)	1,129,302
Change within financial reporting entity (nonmajor to major fund)			(9,523)			9,523	
Change within financial reporting entity (major to nonmajor fund)				(17,145)	126,641	(109,496)	
Fund balance - beginning of year, as restated	2,021,607	(682,229)	(9,523)			(200,553)	1,129,302
Fund balance - end of year	\$ 1,596,725	\$ (595,914)	\$ 215,478	\$	\$	\$ (31,212)	\$ 1,185,077

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, 2024

Net change in fund balances - total governmental funds	\$	55,775
--	----	--------

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

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

Capital outlay reported in governmental fund statements	609,440	
Depreciation expenses reported in the statement of activities	<u>(227,927)</u>	
Amount by which capital outlays are greater (less) than depreciation in the current period.		381,513

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

The amount of debt principal payments in the current year is:		209,671
---	--	---------

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.

(254,568)

In governmental funds, special assessment collections are reflected as revenue when received. In the statement of activities, revenue is recognized when assessed.

Amount assessed		
Amount collected	<u>(1,291)</u>	(1,291)

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.

2023 utility tax equivalent recognized as revenue in 2024 in the governmental funds	(41,265)	
2024 utility tax equivalent recognized as a transfer in for the statement of activities	<u>36,311</u>	
		(4,954)

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.

The amount of interest paid during the current period	20,806	
The amount of interest accrued during the current period	<u>(20,368)</u>	
Interest paid is greater (less) than interest expensed by		438

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.

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>21,813</u>
---	--	---------------

Change in net position - governmental activities	\$	<u><u>408,397</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, 2024

	Water Utility	Sewer Utility	Total
ASSETS			
Current assets:			
Cash	\$ 56,849	\$ 235,723	\$ 292,572
Restricted cash:			
Debt service	37,717	45,033	82,750
Replacement		91,664	91,664
Receivables:			
Customer	13,864	25,780	39,644
Lease	25,669		25,669
Prepaid expenses	8,006	8,006	16,012
Materials and supplies	2,329	33	2,362
Total current assets	<u>144,434</u>	<u>406,239</u>	<u>550,673</u>
Noncurrent assets:			
Lease receivable	276,963		276,963
Capital assets:			
Property, plant and equipment	2,881,512	6,762,982	9,644,494
Less: accumulated depreciation	<u>(591,766)</u>	<u>(1,744,489)</u>	<u>(2,336,255)</u>
Net property and plant	<u>2,289,746</u>	<u>5,018,493</u>	<u>7,308,239</u>
Total noncurrent assets	<u>2,566,709</u>	<u>5,018,493</u>	<u>7,585,202</u>
Total assets	<u>2,711,143</u>	<u>5,424,732</u>	<u>8,135,875</u>
DEFERRED OUTFLOWS OF RESOURCES			
Unamortized major repairs	<u>147,435</u>		<u>147,435</u>
Total assets and deferred outflows of resources	<u><u>\$ 2,858,578</u></u>	<u><u>\$ 5,424,732</u></u>	<u><u>\$ 8,283,310</u></u>

Exhibit A-7 (Continued)
Village of Ridgeway, Wisconsin
Statement of Net Position
Proprietary Funds
December 31, 2024

	Water Utility	Sewer Utility	Total
LIABILITIES			
Current liabilities:			
Accounts payable	\$ 2,443	\$ 5,289	\$ 7,732
Due to other funds	18,803	60,877	79,680
Accrued interest	839		839
Current portion of advances from other funds		12,200	12,200
Current portion of notes payable	53,016		53,016
	<u>75,101</u>	<u>78,366</u>	<u>153,467</u>
Total current liabilities			
	<u>75,101</u>	<u>78,366</u>	<u>153,467</u>
Current liabilities (payable from restricted assets):			
Accrued interest	1,553	6,439	7,992
Current portion of revenue bonds	23,230	42,345	65,575
	<u>24,783</u>	<u>48,784</u>	<u>73,567</u>
Total current liabilities (payable from restricted assets)			
	<u>24,783</u>	<u>48,784</u>	<u>73,567</u>
Long-term liabilities:			
Advances from other funds		44,083	44,083
Revenue bonds	465,400	1,918,957	2,384,357
Notes payable	343,046		343,046
Less: current portion	(76,246)	(54,545)	(130,791)
	<u>732,200</u>	<u>1,908,495</u>	<u>2,640,695</u>
Total long-term liabilities			
	<u>732,200</u>	<u>1,908,495</u>	<u>2,640,695</u>
Total liabilities	<u>832,084</u>	<u>2,035,645</u>	<u>2,867,729</u>
DEFERRED INFLOWS OF RESOURCES			
Leases	303,111		303,111
	<u>303,111</u>		<u>303,111</u>
NET POSITION			
Net investment in capital assets	1,568,908	3,099,536	4,668,444
Restricted for:			
Debt service - revenue bonds	36,164	38,594	74,758
Equipment replacement		91,664	91,664
Unrestricted (deficit)	118,311	159,293	277,604
	<u>1,723,383</u>	<u>3,389,087</u>	<u>5,112,470</u>
Total net position			
	<u>1,723,383</u>	<u>3,389,087</u>	<u>5,112,470</u>
Total liabilities, deferred inflows of resources and net position	<u>\$ 2,858,578</u>	<u>\$ 5,424,732</u>	<u>\$ 8,283,310</u>

Exhibit A-8
Village of Ridgeway, Wisconsin
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended December 31, 2024

	Water Utility	Sewer Utility	Total
OPERATING REVENUES			
Sales of water	\$ 237,508	\$	\$ 237,508
Measured sewer service		247,339	247,339
Penalties	580	1,132	1,712
Other	33,760	41,290	75,050
Total operating revenues	<u>271,848</u>	<u>289,761</u>	<u>561,609</u>
OPERATING EXPENSES			
Operation	135,301	153,623	288,924
Depreciation	56,615	175,760	232,375
Taxes	1,642	3,506	5,148
Total operating expenses	<u>193,558</u>	<u>332,889</u>	<u>526,447</u>
Operating income (loss)	<u>78,290</u>	<u>(43,128)</u>	<u>35,162</u>
NONOPERATING REVENUES (EXPENSES)			
Interest on investments	2,563	4,052	6,615
Interest expense	(20,138)	(38,908)	(59,046)
Net nonoperating revenues (expenses)	<u>(17,575)</u>	<u>(34,856)</u>	<u>(52,431)</u>
Income before contributions and transfers	60,715	(77,984)	(17,269)
Transfer of tax equivalent	<u>(36,311)</u>	<u></u>	<u>(36,311)</u>
Change in net position	24,404	(77,984)	(53,580)
Net position - beginning of year	<u>1,698,979</u>	<u>3,467,071</u>	<u>5,166,050</u>
Net position - end of year	<u><u>\$ 1,723,383</u></u>	<u><u>\$ 3,389,087</u></u>	<u><u>\$ 5,112,470</u></u>

Exhibit A-9
Village of Ridgeway Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business Type Activities- Enterprise Funds		
	Water Utility	Sewer Utility	Total
CASH FLOWS FROM (USED BY) OPERATING ACTIVITIES			
Received from customers	\$ 272,276	\$ 289,565	\$ 561,841
Payments to employees	(26,602)	(46,644)	(73,246)
Payments for employee benefits	(9,139)	(6,577)	(15,716)
Payments to suppliers	(50,404)	(106,555)	(156,959)
Net cash provided by operating activities	186,131	129,789	315,920
CASH FLOWS (USED BY) NONCAPITAL FINANCING ACTIVITIES			
Paid to municipality for tax equivalent	(36,311)		(36,311)
Payment of advance from the general fund		(12,199)	(12,199)
Net cash (used by) noncapital financing activities	(36,311)	(12,199)	(48,510)
CASH FLOWS FROM (USED BY) CAPITAL AND RELATED FINANCING ACTIVITIES			
Principal payments	(74,860)	(41,540)	(116,400)
Interest payments	(20,345)	(39,045)	(59,390)
Net cash (used by) capital and related financing activities	(95,205)	(80,585)	(175,790)
CASH FLOWS FROM INVESTING ACTIVITIES			
Investment income	2,563	4,052	6,615
Net change in cash and cash equivalents	57,178	41,057	98,235
Cash and cash equivalents - beginning of year	37,388	331,363	368,751
Cash and cash equivalents - end of year	<u>\$ 94,566</u>	<u>\$ 372,420</u>	<u>\$ 466,986</u>
Reconciliation of cash and cash equivalents to statement of net position accounts			
Cash and investments	\$ 56,849	\$ 235,723	\$ 292,572
Restricted cash	37,717	136,697	174,414
Cash and cash equivalents	<u>\$ 94,566</u>	<u>\$ 372,420</u>	<u>\$ 466,986</u>

Exhibit A-9 (Continued)
Village of Ridgeway Wisconsin
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2024

	Business Type Activities- Enterprise Funds		
	Water Utility	Sewer Utility	Total
Reconciliation of operating income to net cash provided by operating activities:			
Operating income	\$ 78,290	\$ (43,128)	\$ 35,162
Noncash items in operating income:			
Depreciation expense	58,636	175,759	234,395
Deferred lease inflows	268,267		268,267
Changes in assets and liabilities:			
Customer accounts receivable	(1,392)	(195)	(1,587)
Lease receivable	(266,447)		(266,447)
Inventories			
Prepaid expenses	(529)	(529)	(1,058)
Unamortized well repairs	49,146		49,146
Accounts payable	161	(2,117)	(1,956)
Due to other funds	(1)	(1)	(2)
Net cash provided (used) by operating activities	<u>\$ 186,131</u>	<u>\$ 129,789</u>	<u>\$ 315,920</u>

Exhibit A-10
Village of Ridgeway, Wisconsin
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2024

	<u>Custodial Fund</u>
	Tax
	<u>Collection Fund</u>
ASSETS	
Cash and investments	\$ 227,722
Taxes receivable	<u>473,337</u>
Total assets	<u><u>\$ 701,059</u></u>
LIABILITIES	
Due to other taxing units	<u>\$ 701,059</u>
NET POSITION	
Restricted	<u> </u>
Total liabilities and net position	<u><u>\$ 701,059</u></u>

Exhibit A-11
Village of Ridgeway, Wisconsin
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended December 31, 2024

	<u>Custodial Fund</u>
	Tax
	<u>Collection Fund</u>
ADDITIONS	
Property tax collections for other governments	<u>\$ 386,811</u>
DEDUCTIONS	
Payments of taxes to other governments	<u>386,811</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
Index to Notes to Financial Statements
December 31, 2024

Note 1.	<u>Summary of Significant Accounting Policies</u>	18
A.	Reporting Entity	18
B.	Government-Wide and Fund Financial Statements.....	18-20
C.	Measurement Focus, Basis of Accounting and Financial Statement Presentation	20-22
D.	Cash and Investments	22
E.	Receivables.....	22-23
F.	Inventories	23
G.	Restricted Assets	23
H.	Capital Assets	24
I.	Unearned Revenue	24
J.	Compensated Absences.....	24
K.	Long-Term Obligations.....	25
L.	Claims and Judgments.....	25
M.	Equity Classifications.....	25-26
N.	Interfund Transactions.....	26
O.	Risk Management.....	27
P.	Pensions.....	27
Q.	Deferred Outflows and Inflows of Resources	27
R.	Change in Accounting Principles	27
Note 2.	<u>Explanation of Certain Differences Between Governmental Fund Statements and Government-Wide Statements</u>	28
Note 3.	<u>Cash and Investments</u>	29-31
Note 4.	<u>Capital Assets</u>	32-33
Note 5.	<u>Long-Term and Short-Term Obligations</u>	34-37
Note 6.	<u>Leases</u>	37
Note 7.	<u>Defined Benefit Pension Plan</u>	38-43
Note 8.	<u>Interfund Receivables/Payables and Transfers</u>	44
Note 9.	<u>Joint Venture</u>	44-45
Note 10.	<u>Tax Incremental District</u>	45-46
Note 11.	<u>Deferred Inflows of Resources</u>	46
Note 12.	<u>Governmental Fund Balances</u>	46
Note 13.	<u>Business-Type Activities Restricted Net Position</u>	47
Note 14.	<u>Tax Levy Limit</u>	48
Note 15.	<u>Effect of New Accounting Standards on Current Period Financial Statements</u>	48
Note 16.	<u>Change in Reporting Entity</u>	48

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2024

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.

For the year ended December 31, 2024, the capital projects 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.

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

CDBG Fund – Accounts for the activity of the Village’s community development block grant program.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2024

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, 2024

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 - 2024 tax roll:

Lien date and levy date	December 2024
Tax bills mailed	December 2024
First installment due	January 31, 2025
Second installment due	July 31, 2025

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, 2024

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 – portion of fund balance that 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, 2024

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. Unearned Revenue

The Village reports unearned revenue on its governmental funds balance sheet. Unearned revenue arises when resources are received before the Village has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when the Village has a legal claim to the resources, the unearned revenue is removed from the balance sheet and revenue is recognized.

J. 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, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

K. 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.

L. 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.

M. 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, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. 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:

- Non-spendable – 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, 2024 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.

N. 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. If the general fund balance should fall below 25%, the Village will attempt to replenish the general fund to an amount equal to the minimum fund balance policy.

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, 2024

NOTE 1

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

O. 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.

P. 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

Q. 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 deferred property tax revenue and leases.

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

R. Change in Accounting Principles

Effective January 1, 2024, the Village adopted GASB Statement No. 100, Accounting Changes and Error Corrections. GASB 100 was issued to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The Village did not have any accounting changes or error corrections requiring disclosure in the financial statements.

Effective January 1, 2024, the Village adopted GASB Statement No. 101, Compensated Absences. GASB 101 was issued to provide guidance on the accounting and financial reporting for compensated absences. The Village's calculation of the compensated absence liability was not material to the financial statements.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2024

NOTE 3

CASH AND INVESTMENTS

At December 31, 2024, cash and investments included the following:

Deposits with financial institutions	\$ 1,876,715
Cash on hand	<u>62</u>
	<u>\$ 1,876,777</u>

Cash and investments as of December 31, 2024, are classified in the accompanying financial statements as follows:

Exhibit A-1:

Cash and investments	\$ 1,474,641
Cash and investments - restricted	174,414

Exhibit A-10:

Cash and investments	<u>227,722</u>
Total Cash and Investments	<u>\$ 1,876,777</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.

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, 2024

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, 2024

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 be significant to individual organizations.

As of December 31, 2024, \$500,000 of Village deposits were insured by FDIC and \$1,383,956 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, 2024

NOTE 4

CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Governmental Activities:</u>				
Capital assets not being depreciated:				
Land	\$ 20,000	\$ 192,679	\$	\$ 212,679
Construction work in progress	27,870		(27,870)	
Total capital assets not being depreciated	47,870	192,679	(27,870)	212,679
Other capital assets				
Buildings and improvements	953,850	429,632		1,383,482
Equipment and vehicles	381,917	15,000	(10,151)	386,766
Infrastructure	2,991,266			2,991,266
Total other capital assets at historical costs	4,327,033	444,632	(10,151)	4,761,514
Less accumulated depreciation for:				
Buildings and improvements	(179,593)	(50,609)		(230,202)
Equipment and vehicles	(221,826)	(34,748)	10,150	(246,424)
Infrastructure	(851,390)	(142,570)		(993,960)
Total accumulated depreciation	(1,252,809)	(227,927)	10,150	(1,470,586)
Net other capital assets	3,074,224	216,705	(20,301)	3,290,928
Total net capital assets	\$ 3,122,094	\$ 409,384	\$ (48,171)	\$ 3,503,607

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	\$ 36,358
Public works, which includes the depreciation of infrastructure	179,259
Leisure activities	12,310
Total Governmental Activities Depreciation Expense	<u>\$ 227,927</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 4

CAPITAL ASSETS (CONTINUED)

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Removals</u>	<u>Ending Balance</u>
<u>Business-Type Activities:</u>				
Capital assets not being depreciated:				
Land and land rights	\$ 26,307	\$	\$	\$ 26,307
Total capital assets not being depreciated	<u>26,307</u>			<u>26,307</u>
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			2,436,614
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			5,074,185
General plant	<u>143,050</u>			<u>143,050</u>
Total capital assets being depreciated	<u>9,618,187</u>			<u>9,618,187</u>
Less: accumulated depreciation for:				
Water	(533,132)	(58,636)		(591,768)
Sewer	<u>(1,568,728)</u>	<u>(175,759)</u>		<u>(1,744,487)</u>
Total accumulated depreciation	<u>(2,101,860)</u>	<u>(234,395)</u>		<u>(2,336,255)</u>
Net capital assets being depreciated	<u>7,516,327</u>	<u>(234,395)</u>		<u>7,281,932</u>
Total net capital assets	\$ <u>7,542,634</u>	\$ <u>(234,395)</u>	\$	\$ <u>7,308,239</u>

Depreciation expense was charged to functions as follows:

Business-Type Activities:

Sewer utility	\$ 175,759
Water utility	<u>58,636</u>
Total depreciation expense	234,395
Less: water depreciation expense allocated to sewer	<u>(2,020)</u>
Total depreciation expense per Exhibit A-8	\$ <u>232,375</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 5

LONG-TERM AND SHORT-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2024, 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	\$ 562,329	\$ 254,568	\$ (187,971)	\$ 628,926	\$ 215,423
Revenue bonds	433,683		(21,700)	411,983	22,097
Total governmental activities long-term liabilities	<u>\$ 996,012</u>	<u>\$ 254,568</u>	<u>\$ (209,671)</u>	<u>\$ 1,040,909</u>	<u>\$ 237,520</u>
<u>Business-type activities</u>					
Direct borrowings and placements:					
General obligation notes	\$ 395,125	\$	\$ (52,079)	\$ 343,046	\$ 53,016
Revenue bonds	604,978		(29,221)	575,757	29,775
Revenue bonds - nondirect	1,843,700		(35,100)	1,808,600	35,800
Total business-type activities long-term liabilities	<u>\$ 2,843,803</u>	<u>\$</u>	<u>\$ (116,400)</u>	<u>\$ 2,727,403</u>	<u>\$ 118,591</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 12/31/2024
<u>Governmental activities</u>					
General obligation notes	10/13/2020	10/12/2027	2.95%	\$ 624,921	\$ 171,367
General obligation notes	12/10/2020	12/9/2027	2.60%	450,000	202,991
General obligation notes	12/5/2024	12/5/2031	3.75%	225,000	225,000
General obligation notes	11/12/2024	11/13/2025	3.60%	29,568	29,568
Total governmental activities - general obligation debt					<u>\$ 628,926</u>
<u>Business-type activities</u>					
General obligation notes	12/10/2020	12/9/2030	2.95%	\$ 540,000	<u>\$ 343,046</u>

General obligation notes dated October 13, 2020, have a credit limit of \$750,000. As of December 31, 2024, the Village has a credit line available of \$578,633.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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
2025	\$ 215,423	\$ 18,986	\$ 234,409	\$ 53,016	\$ 9,865	\$ 62,881
2026	177,591	12,386	189,977	54,613	8,268	62,881
2027	100,381	7,089	107,470	56,259	6,622	62,881
2028	32,128	4,534	36,662	57,939	4,941	62,880
2029	33,353	3,308	36,661	59,700	3,181	62,881
2030-2034	70,050	2,750	72,800	61,519	1,382	62,901
Totals	\$ 628,926	\$ 49,053	\$ 677,979	\$ 343,046	\$ 34,259	\$ 377,305

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, 2024 was \$3,577,510. Total general obligation debt outstanding at year-end was \$971,972.

Revenue Debt

Revenue bonds are payable only from revenues derived from operations. Revenue debt payable at December 31, 2024 consists of the following:

	Date of Issue	Final Maturity	Interest Rates	Original Amount	Balance 12/31/2024
Governmental activities					
Water system revenue bonds	1/22/2020	5/1/2039	1.65%	\$ 300,149	\$ 235,112
Water system revenue bonds	9/28/2022	5/1/2042	2.15%	192,671	176,871
					<u>\$ 411,983</u>
Business-type activities					
Sewer system revenue bonds	5/16/2019	5/1/2059	2.00%	\$ 1,791,000	\$ 1,637,400
Sewer system revenue bonds	5/16/2019	5/1/2059	2.38%	186,000	171,200
Water system revenue bonds	1/22/2020	5/1/2039	1.65%	312,400	244,708
Water system revenue bonds	9/28/2022	5/1/2042	2.15%	360,622	331,049
Total business-type activities - revenue debt					<u>\$ 2,384,357</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2024, the utility had a balance of \$45,033 in the reserve account. This requirement was met for 2024.
- 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, 2024, 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 2024 were \$132,632 and the requirement was \$79,475. This requirement was met for 2024.

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 2024 were \$135,535 and the requirement was \$67,406. The Utility met this requirement for 2024.

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, 2024 was \$37,717 and the requirement was \$37,717. This requirement was met for 2024.

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
2025	\$ 22,097	\$ 7,471	\$ 29,568
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
2030-2034	125,522	22,179	147,701
2035-2039	137,487	10,102	147,589
2040-2044	34,362	1,261	35,623
Totals	\$ 411,983	\$ 66,732	\$ 478,715

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 5

LONG-TERM AND SHORT-TERM OBLIGATIONS (CONTINUED)

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

Business-type Activities						
Years	Revenue Bonds from Direct Borrowings and Direct Placements			Revenue Bonds - Nondirect		
	Principal	Interest	Total	Principal	Interest	Total
2025	\$ 29,775	\$ 10,855	\$ 40,630	\$ 35,800	\$ 36,450	\$ 72,250
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
2030-2034	169,967	32,980	202,947	206,600	154,767	361,367
2035-2039	186,823	15,960	202,783	228,500	132,664	361,164
2040-2044	64,312	2,089	66,401	253,000	108,194	361,194
2045-2049				280,300	81,069	361,369
2050-2054				310,200	51,039	361,239
2055-2059				343,500	17,781	361,281
Totals	<u>\$ 575,757</u>	<u>\$ 99,471</u>	<u>\$ 675,228</u>	<u>\$ 1,808,600</u>	<u>\$ 720,253</u>	<u>\$ 2,528,853</u>

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, 2024, was as follows:

	Year ending December 31, 2024
Lease-related revenue	
Lease Revenue	
Land	\$ 33,011
Interest Revenue	679
Total	<u>\$ 33,690</u>

Aggregate cash flows for the revenue generated by the lease receivable and interest at December 31, 2024 are as follows:

Year Ended December 31,	Principal	Interest	Total
2025	\$ 25,669	\$ 8,014	\$ 33,683
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
2030-2034	173,319	13,871	187,190
	<u>\$ 302,632</u>	<u>\$ 49,301</u>	<u>\$ 351,933</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2024

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 (%)
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions. Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, 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 \$0 in contributions from the employer.

Contribution rates as of December 31, 2024 are:

Employee Category	Employee	Employer
General (including teachers, executives and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2024, the Village reported a liability (asset) of \$0 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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, 2023, the Village's proportion was 0%, which did not change from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the Village recognized pension expense of \$0.

At December 31, 2024, the Village reported deferred outflows of resources related to pensions from the following source:

	Deferred Outflows of Resources
Employer contributions subsequent to the measurement date	<u>\$ 21,813</u>
Total	<u><u>\$ 21,813</u></u>

\$21,813 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, 2025.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 7

DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial assumptions. The total pension liability in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
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% - 5.6%
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.

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The total pension liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

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, 2023			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return % ²
Public Equity	40	7.3	4.5
Public Fixed Income	27	5.8	3.0
Inflation Sensitive	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage ³	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
Variable Fund Asset Class			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5

¹Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

²New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.7%

³The 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, 2024

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 3.77% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 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.

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, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General	Public Property and Events	\$ 132,247
General	CDBG	20,281
General	Water	18,803
General	Sewer	60,877
		<u>\$ 232,208</u>

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 \$21,144 for 2024.

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.

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 8

INTERFUND RECEIVABLES/PAYABLES AND TRANSFERS (CONTINUED)

Interfund advances were as follows on December 31, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Governmental Funds:		
General	TIF District #1	\$ 791,900
General	Sewer utility	44,083
Total		<u>\$ 835,983</u>

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:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Purpose</u>
Governmental Funds:			
General	Water utility	\$ 41,265	Tax equivalent
Capital projects	General	327,741	Capital projects
CDBG	General	70,776	Close the CDBG fund
Total		<u>\$ 439,782</u>	

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 VENTURE

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 %
	<u>100 %</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 9

JOINT VENTURE (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 2024 were as follows:

Village of Barneveld	40 %
Town of Brigham	31 %
Village of Ridgeway	19 %
Town of Ridgeway	10 %
	<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, 2024

NOTE 10

TAX INCREMENTAL DISTRICT (CONTINUED)

Following is the cumulative status of the TIF District as of December 31, 2024:

	<u>TID #1</u>
Project revenues	
Tax increment	\$ 614,010
Intergovernmental	2,593
Lot sales	739,116
Other	104,191
Total revenues	<u>1,459,910</u>
Project costs	
Construction	1,972,987
Administration	13,359
Professional services and DOR fees	20,973
Interest and other fiscal charges	219,872
Total expenditures	<u>2,227,191</u>
Amount to be recovered through future increments	<u>\$ 767,281</u>
Reconciliation of recoverable costs	
Long-term notes payable	\$ 171,367
TID #1 fund balance - deficit	595,914
Total	<u>\$ 767,281</u>

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, 2024, is \$791,900. 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, 2024, the various components of deferred inflows of resources reported in the governmental funds were as follows:

Property tax receivable	\$ 413,950
Tax increment receivable	207,146
2024 Water utility tax equivalent	36,311
Village share of closed managed forest land	478
Special assessments	559
Interest on advance to TID #1	195,495
Total	<u>\$ 853,939</u>

Village of Ridgeway, Wisconsin
Notes to Financial Statements
December 31, 2024

NOTE 12

GOVERNMENTAL FUND BALANCES

Governmental fund balances reported on the fund financial statements at December 31, 2024 includes the following:

	General Fund	TIF District #1	Capital Projects	Other Governmental Funds
Nonspendable:				
Advances to other funds	\$ 835,983	\$	\$	\$
Prepaid expenses	13,619			
Restricted for:				
Environmental projects	100,314			
Debt service				18,400
Assigned for:				
Capital projects			215,478	
Unassigned (deficit)	646,809	(595,914)		(49,612)
Total fund balances	<u>\$ 1,596,725</u>	<u>\$ (595,914)</u>	<u>\$ 215,478</u>	<u>\$ (31,212)</u>

The following nonmajor funds had (deficit) unassigned fund balances at December 31, 2024:

Public Property and Events Fund \$ (49,612)

NOTE 13

BUSINESS-TYPE ACTIVITIES RESTRICTED NET POSITION

Restricted assets and restricted net position in the business-type activities and the proprietary funds consist of the following at December 31, 2024:

Sewer utility restricted net position	
Debt service - revenue bonds	\$ 38,594
Equipment replacement	91,664
Total sewer restricted net position	<u>130,258</u>
Water utility restricted net position	
Debt service - revenue bonds	36,164
Total utility restricted net position	<u>\$ 166,422</u>

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, 2024

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. 102, *Certain Risk Disclosures*, effective for periods beginning after June 15, 2024, GASB Statement No. 103, *Financial Reporting Model Improvements*, effective for periods beginning after June 15, 2025, and GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for periods beginning after June 15, 2025. When these become effective, application of these standards may restate portions of these financial statements.

NOTE 16

CHANGE IN REPORTING ENTITY

Effective December 31, 2023, 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>			
	Capital Projects	Debt Service	Public Property and Events	Other Governmental Funds
12/31/2023, as previously reported	\$	\$ 17,145	\$ (126,641)	\$ (100,580)
Change within financial reporting entity (nonmajor to major fund)	(9,523)			9,523
Change within financial reporting entity (major to nonmajor fund)		(17,145)	126,641	(109,496)
1/1/2024, as restated	<u>\$ (9,523)</u>	<u>\$</u>	<u>\$</u>	<u>\$ (200,553)</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, 2024

	Budgeted Amounts		Actual	Variances- Positive (Negative)	
	Original	Final		Original to Actual	Final to Actual
REVENUES					
Taxes	\$ 247,242	\$ 247,242	\$ 247,720	\$ 478	\$ 478
Special assessments	820	820	1,291	471	471
Intergovernmental	271,892	271,892	272,830	938	938
Licenses and permits	5,850	5,850	7,474	1,624	1,624
Fines and forfeitures	1,250	1,250	2,457	1,207	1,207
Public charges for services	52,716	52,716	50,671	(2,045)	(2,045)
Interest income	42,896	42,896	68,615	25,719	25,719
Miscellaneous	14,638	14,638	14,014	(624)	(624)
Total revenues	637,304	637,304	665,072	27,768	27,768
EXPENDITURES					
Current:					
General government	208,684	208,684	232,641	(23,957)	(23,957)
Public safety	278,948	278,948	314,690	(35,742)	(35,742)
Public works	185,707	185,707	141,116	44,591	44,591
Leisure activities	30,373	30,373	30,681	(308)	(308)
Capital outlay			18,074	(18,074)	(18,074)
Total expenditures	703,712	703,712	737,202	(33,490)	(33,490)
Excess (deficiency) of revenues over expenditures	(66,408)	(66,408)	(72,130)	(5,722)	(5,722)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	10,000	10,000	4,500	(5,500)	(5,500)
Transfers in	56,408	56,408	41,265	(15,143)	(15,143)
Transfers out	(412,300)	(412,300)	(398,517)	13,783	13,783
Total other financing sources (uses)	(345,892)	(345,892)	(352,752)	(6,860)	(6,860)
Net changes in fund balance	(412,300)	(412,300)	(424,882)	(12,582)	(12,582)
Fund balance - beginning of year	2,021,607	2,021,607	2,021,607		
Fund balance - end of year	\$ 1,609,307	\$ 1,609,307	\$ 1,596,725	\$ (12,582)	\$ (12,582)

Exhibit B-2
Village of Ridgeway, Wisconsin
Wisconsin Retirement System Schedule
December 31, 2024

SCHEDULE OF CONTRIBUTIONS

Last 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
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, 2024

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, 2024:

<u>Expenditure</u>	<u>Excess Expenditures</u>
General fund	
Current:	
General government	\$ 23,957
Public safety	35,742
Leisure activities	308
Capital outlay	18,074

Village of Ridgeway, Wisconsin
Notes to Required Supplementary Information
December 31, 2024

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, 2024

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
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%	5.5%
Weighted based on assumed rate for:					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
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*:	1.7%	1.9%	1.9%	1.9%	2.1%
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 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.	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.
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.	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%).	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%).

*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, 2024

NOTE 3

WISCONSIN RETIREMENT SYSTEM SCHEDULES (CONTINUED)

Significant methods and assumptions used in calculating Wisconsin Retirement System Actuarially Determined Contributions:

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
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 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.	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 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	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, 2024

	Debt Service	Special Revenue Public Property and Events	CDBG	Totals
ASSETS				
Cash and investments	\$ 63,413	\$ 83,413	\$	\$ 146,826
Taxes receivable	93,539			93,539
Due from other governments			20,281	20,281
Total assets	<u>\$ 156,952</u>	<u>\$ 83,413</u>	<u>\$ 20,281</u>	<u>\$ 260,646</u>
LIABILITIES				
Accounts payable	\$	\$ 778	\$	\$ 778
Due to other funds		132,247	20,281	152,528
Total liabilities		<u>133,025</u>	<u>20,281</u>	<u>153,306</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred revenues	<u>138,552</u>			<u>138,552</u>
FUND BALANCES				
Restricted	18,400			18,400
Unassigned (deficit)		(49,612)		(49,612)
Total fund balances	<u>18,400</u>	<u>(49,612)</u>		<u>(31,212)</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 156,952</u>	<u>\$ 83,413</u>	<u>\$ 20,281</u>	<u>\$ 260,646</u>

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, 2024

	Formerly Nonmajor Fund Capital Projects	Formerly Major Fund Debt Service	Special Revenue Formerly Major Fund Public Property and Events	CDBG	Totals
REVENUES					
Property taxes	\$	\$ 102,168	\$	\$	\$ 102,168
Intergovernmental				20,281	20,281
Public charges for services			9,166		9,166
Miscellaneous			126,393		126,393
Total revenues		102,168	135,559	20,281	258,008
EXPENDITURES					
Leisure activities			37,371		37,371
Capital outlay:					
Leisure activities			21,159		21,159
Debt service:					
Principal retirement		115,838			115,838
Interest and fiscal charges		14,643			14,643
Total expenditures		130,481	58,530		189,011
Excess (deficiency) of revenues over expenditures		(28,313)	77,029	20,281	68,997
OTHER FINANCING SOURCES					
Loan proceeds		29,568			29,568
Transfer in				70,776	70,776
Total other financing sources (uses)		29,568		70,776	100,344
Net change in fund balances		1,255	77,029	91,057	169,341
Fund balance - beginning of year, as previously reported	(9,523)			(91,057)	(100,580)
Change within financial reporting entity (major to nonmajor fund)		17,145	(126,641)		(109,496)
Change within financial reporting entity (nonmajor to major fund)	9,523				9,523
Fund balance - beginning of year, as restated		17,145	(126,641)	(91,057)	(200,553)
Fund balance - end of year	\$	\$ 18,400	\$ (49,612)	\$	\$ (31,212)