

CITY OF MEDFORD, WISCONSIN

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEAR ENDED DECEMBER 31, 2024



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INDEPENDENT AUDITORS' REPORT

City Council
City of Medford, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Medford, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Medford, Wisconsin's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Medford, Wisconsin, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

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 opinion on the basic financial statements is 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 City of Medford, Wisconsin's basic financial statements. The nonmajor governmental fund combining financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the nonmajor governmental fund combining financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 5, 2025, on our consideration of the City of Medford, Wisconsin's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Medford, Wisconsin's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of Medford, Wisconsin's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

CliftonLarsonAllen LLP

Wausau, Wisconsin
June 5, 2025

BASIC FINANCIAL STATEMENTS

CITY OF MEDFORD, WISCONSIN
STATEMENT OF NET POSITION
DECEMBER 31, 2024

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Investments	\$ 7,009,233	\$ 5,795,600	\$ 12,804,833
Receivables:			
Taxes	1,795,254	-	1,795,254
Accounts	29,899	1,452,113	1,482,012
Special Assessments	411,014	-	411,014
Delinquent Specials Held by County	1,969	-	1,969
Loans	1,484,223	-	1,484,223
Interest	39,846	8,164	48,010
Prepaid Items and Supplies	44,499	498,982	543,481
Investment in Joint Venture	433,259	-	433,259
Restricted and Other Assets:			
Cash and Investments	75,933	950,005	1,025,938
Capital Assets, Nondepreciable	1,574,984	3,444,675	5,019,659
Capital Assets, Depreciable	19,899,163	26,654,363	46,553,526
Total Assets	32,799,276	38,803,902	71,603,178
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	1,609,168	535,256	2,144,424
Other Postemployment Related Amounts	20,800	6,985	27,785
Total Deferred Outflows of Resources	1,629,968	542,241	2,172,209
LIABILITIES			
Accounts Payable	254,614	926,757	1,181,371
Accrued and Other Current Liabilities	234,988	15,193	250,181
Due to Other Governments	444	-	444
Accrued Interest Payable	4,967	7,941	12,908
Unearned Revenues	-	2,407	2,407
Public Benefits	-	44,291	44,291
Long-Term Obligations:			
Due Within One Year	305,000	301,331	606,331
Customer Advances for Construction	-	15,651	15,651
Due in More than One Year	1,939,998	2,943,904	4,883,902
Net Pension Liability	178,708	60,008	238,716
Other Postemployment Benefits	63,741	21,404	85,145
Total Liabilities	2,982,460	4,338,887	7,321,347
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	2,565,006	-	2,565,006
Pension Related Amounts	954,722	320,585	1,275,307
Other Postemployment Related Amounts	61,386	20,613	81,999
Total Deferred Inflows of Resources	3,581,114	341,198	3,922,312
NET POSITION			
Net Investment in Capital Assets	21,060,629	26,725,107	45,922,016
Restricted:			
Debt Service	771,723	-	771,723
Affordable Housing	532,097	-	532,097
Community Development	147,449	-	147,449
Capital Projects	-	951,609	951,609
Other	144,897	-	144,897
Unrestricted	5,208,875	6,989,342	14,061,937
Total Net Position	\$ 27,865,670	\$ 34,666,058	\$ 62,531,728

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024**

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
GOVERNMENTAL ACTIVITIES				
General Government	\$ 831,004	\$ 215,405	\$ -	\$ 254,529
Public Safety	1,371,349	118,471	41,782	-
Public Works	2,598,023	48,532	636,419	99,858
Health and Human Services	11,784	-	-	-
Culture and Recreation	1,199,694	60,542	361,286	77,000
Conservation and Development	213,077	-	-	-
Interest and Fiscal Charges	37,741	-	-	-
Total Governmental Activities	6,262,672	442,950	1,039,487	431,387
BUSINESS-TYPE ACTIVITIES				
Electric Utility	9,766,254	10,029,607	-	50,563
Water Utility	839,997	1,077,600	-	187,941
Sewer Utility	2,058,811	1,928,917	-	1,047,669
Recycling Utility	434,679	381,310	26,088	-
Total Business-Type Activities	13,099,741	13,417,434	26,088	1,286,173
Total	\$ 19,362,413	\$ 13,860,384	\$ 1,065,575	\$ 1,717,560

GENERAL REVENUES

Taxes:

Property Taxes

Tax Increments

Other Taxes

Federal and State Grants and Other Contributions

Not Restricted to Specific Functions

Interest and Investment Earnings (Loss)

Miscellaneous

Gain on Sale of Asset

TRANSFERS

Total General Revenues and Transfers

CHANGE IN NET POSITION

Net Position - Beginning of Year

NET POSITION - END OF YEAR

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Net (Expense) Revenue and Changes in Net Position		
Governmental Activities	Business-Type Activities	Total
\$ (361,070)	\$ -	\$ (361,070)
(1,211,096)	-	(1,211,096)
(1,813,214)	-	(1,813,214)
(11,784)	-	(11,784)
(700,866)	-	(700,866)
(213,077)	-	(213,077)
(37,741)	-	(37,741)
(4,348,848)	-	(4,348,848)
-	313,916	313,916
-	425,544	425,544
-	917,775	917,775
-	(27,281)	(27,281)
-	1,629,954	1,629,954
(4,348,848)	1,629,954	(2,718,894)
1,917,749	-	1,917,749
617,208	-	617,208
203,763	-	203,763
1,318,062	-	1,318,062
469,431	157,613	627,044
64,639	-	64,639
276,325	108,938	385,263
181,162	(181,162)	-
5,048,339	85,389	5,133,728
699,491	1,715,343	2,414,834
27,166,179	32,950,715	60,116,894
<u>\$ 27,865,670</u>	<u>\$ 34,666,058</u>	<u>\$ 62,531,728</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	General	Debt Service	Affordable Housing	Construction
ASSETS				
Cash and Investments	\$ 5,147,565	\$ 787,671	\$ -	\$ 471,592
Restricted Cash and Investments	-	-	-	-
Receivables:				
Taxes	765,492	29,019	-	554,991
Accounts	27,304	-	-	-
Special Assessments	411,014	-	-	-
Delinquent Specials Held by County	1,969	-	-	-
Loans	-	-	720,890	-
Interest	39,071	-	-	-
Advance to Other Funds	2,621,309	-	-	-
Prepaid Items and Supplies	44,499	-	-	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 9,058,223</u>	<u>\$ 816,690</u>	<u>\$ 720,890</u>	<u>\$ 1,026,583</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
LIABILITIES				
Accounts Payable	\$ 144,609	\$ -	\$ -	\$ 40,388
Accrued and Other Current Liabilities	234,988	-	-	-
Advance from Other Funds	-	-	188,793	-
Due to Other Governments	444	-	-	-
Unearned Revenues	-	-	-	121,533
Total Liabilities	<u>380,041</u>	<u>-</u>	<u>188,793</u>	<u>161,921</u>
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	1,043,614	40,000	-	765,000
Loans Receivable	-	-	720,890	-
Special Assessments	310,599	-	-	-
Total Deferred Inflows of Resources	<u>1,354,213</u>	<u>40,000</u>	<u>720,890</u>	<u>765,000</u>
FUND BALANCES				
Nonspendable	2,704,445	-	-	-
Restricted	-	776,690	-	-
Committed	-	-	-	-
Assigned	1,386,905	-	-	99,662
Unassigned	3,232,619	-	(188,793)	-
Total Fund Balances	<u>7,323,969</u>	<u>776,690</u>	<u>(188,793)</u>	<u>99,662</u>
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 9,058,223</u>	<u>\$ 816,690</u>	<u>\$ 720,890</u>	<u>\$ 1,026,583</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	TID No. 14	Nonmajor Governmental Funds	Total
ASSETS			
Cash and Investments	\$ -	\$ 602,405	\$ 7,009,233
Restricted Cash and Investments	-	75,933	75,933
Receivables:			
Taxes	137,832	307,920	1,795,254
Accounts	-	2,595	29,899
Special Assessments	-	-	411,014
Delinquent Specials Held by County	-	-	1,969
Loans	763,333	-	1,484,223
Interest	-	775	39,846
Advance to Other Funds	-	-	2,621,309
Prepaid Items and Supplies	-	-	44,499
Total Assets	<u>\$ 901,165</u>	<u>\$ 989,628</u>	<u>\$ 13,513,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable	\$ 39,938	\$ 29,679	\$ 254,614
Accrued and Other Current Liabilities	-	-	234,988
Advance from Other Funds	1,908,242	524,274	2,621,309
Due to Other Governments	-	-	444
Unearned Revenues	-	-	121,533
Total Liabilities	<u>1,948,180</u>	<u>553,953</u>	<u>3,232,888</u>
DEFERRED INFLOWS OF RESOURCES			
Property Taxes Levied for Subsequent Year	189,988	404,871	2,443,473
Loans Receivable	763,333	-	1,484,223
Special Assessments	-	-	310,599
Total Deferred Inflows of Resources	<u>953,321</u>	<u>404,871</u>	<u>4,238,295</u>
FUND BALANCES			
Nonspendable	-	-	2,704,445
Restricted	-	292,346	1,069,036
Committed	-	373,878	373,878
Assigned	-	-	1,486,567
Unassigned	(2,000,336)	(635,420)	408,070
Total Fund Balances	<u>(2,000,336)</u>	<u>30,804</u>	<u>6,041,996</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 901,165</u>	<u>\$ 989,628</u>	<u>\$ 13,513,179</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
BALANCE SHEET (CONTINUED)
GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

Total Fund Balances as Shown on Previous Page	\$ 6,041,996
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Amounts reported for governmental activities in the Statement of Net Position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	21,474,147
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Other long-term assets are not available to pay current period expenditures and therefore are deferred in the funds.	1,794,822
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Some deferred outflows and inflows of resources reflect changes in long-term liabilities and are not reported in the funds.

Deferred Outflows Related to Pensions	1,609,168
Deferred Inflows Related to Pensions	(954,722)
Deferred Outflows Related to Other Postemployment Benefits	20,800
Deferred Inflows Related to Other Postemployment Benefits	(61,386)

Long-term assets are not current financial resources; therefore, are not reported in the funds:

Investment in Joint Venture	433,259
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Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.

Bonds and Notes Payable	(2,195,000)
Premium on Debt	(4,821)
Compensated Absences	(45,177)
Net Pension Liability	(178,708)
Other Postemployment Benefit Liability	(63,741)
Accrued Interest on Long-Term Obligations	(4,967)

Net Position of Governmental Activities as Reported on the Statement of Net Position	<u>\$ 27,865,670</u>
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**CITY OF MEDFORD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	General	Debt Service	Affordable Housing	Construction
REVENUES				
Taxes	\$ 1,267,774	\$ 50,000	\$ -	\$ 741,000
Special Assessments	145,889	-	-	-
Intergovernmental	2,061,567	-	-	2,745
Licenses and Permits	56,897	-	-	-
Fines and Forfeits	34,699	-	-	-
Public Charges for Services	92,537	-	-	-
Intergovernmental Charges for Services	129,132	-	-	-
Miscellaneous	476,213	-	4,350	77,000
Total Revenues	4,264,708	50,000	4,350	820,745
EXPENDITURES				
Current:				
General Government	821,343	-	-	-
Public Safety	1,237,511	-	-	-
Public Works	1,046,117	-	-	125,049
Health and Human Services	11,784	-	-	-
Culture and Recreation	387,128	-	-	-
Conservation and Development	69,575	-	538,240	-
Debt Service:				
Principal	-	300,000	-	-
Interest and Fiscal Charges	-	30,828	-	-
Capital Outlay	36,351	-	-	875,057
Total Expenditures	3,609,809	330,828	538,240	1,000,106
Excess of Revenues Over (Under) Expenditures	654,899	(280,828)	(533,890)	(179,361)
OTHER FINANCING SOURCES (USES)				
Proceeds from Sale of Capital Assets	-	-	-	32,574
Transfers In	351,375	326,878	137,893	1,237,539
Transfers Out	(1,411,172)	(50,000)	-	-
Total Other Financing Sources (Uses)	(1,059,797)	276,878	137,893	1,270,113
NET CHANGE IN FUND BALANCES	(404,898)	(3,950)	(395,997)	1,090,752
Fund Balances - Beginning of Year, as Originally Stated	7,728,867	780,640	-	(991,090)
Change within Financial Reporting Entity - Nonmajor to Major	-	-	207,204	-
Fund Balances - Beginning of Year, as Adjusted	7,728,867	780,640	207,204	(991,090)
FUND BALANCES - END OF YEAR	<u>\$ 7,323,969</u>	<u>\$ 776,690</u>	<u>\$ (188,793)</u>	<u>\$ 99,662</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

	TID No. 14	Nonmajor Governmental Funds	Total
REVENUES			
Taxes	\$ 46,706	\$ 633,182	\$ 2,738,662
Special Assessments	-	-	145,889
Intergovernmental	-	537,305	2,601,617
Licenses and Permits	-	-	56,897
Fines and Forfeits	-	-	34,699
Public Charges for Services	-	51,924	144,461
Intergovernmental Charges for Services	-	3,090	132,222
Miscellaneous	36,667	102,030	696,260
Total Revenues	<u>83,373</u>	<u>1,327,531</u>	<u>6,550,707</u>
EXPENDITURES			
Current:			
General Government	-	-	821,343
Public Safety	-	71,134	1,308,645
Public Works	47,638	126,676	1,345,480
Health and Human Services	-	-	11,784
Culture and Recreation	-	560,496	947,624
Conservation and Development	2,568	176,377	786,760
Debt Service:			
Principal	-	-	300,000
Interest and Fiscal Charges	5,531	6,703	43,062
Capital Outlay	-	70,035	981,443
Total Expenditures	<u>55,737</u>	<u>1,011,421</u>	<u>6,546,141</u>
Excess of Revenues Over (Under) Expenditures	27,636	316,110	4,566
OTHER FINANCING SOURCES (USES)			
Proceeds from Sale of Capital Assets	59,100	-	91,674
Transfers In	-	173,633	2,227,318
Transfers Out	-	(464,771)	(1,925,943)
Total Other Financing Sources (Uses)	<u>59,100</u>	<u>(291,138)</u>	<u>393,049</u>
NET CHANGE IN FUND BALANCES	86,736	24,972	397,615
Fund Balances - Beginning of Year, as Originally Stated	(2,087,072)	213,036	5,644,381
Change within Financial Reporting Entity - Nonmajor to Major	<u>-</u>	<u>(207,204)</u>	<u>-</u>
Fund Balances - Beginning of Year, as Adjusted	<u>(2,087,072)</u>	<u>5,832</u>	<u>5,644,381</u>
FUND BALANCES - END OF YEAR	<u><u>\$ (2,000,336)</u></u>	<u><u>\$ 30,804</u></u>	<u><u>\$ 6,041,996</u></u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES (CONTINUED)
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024**

Net Change in Fund Balances as Shown on Previous Page \$ 397,615

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

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

Capital Assets Reported as Expenditures in the Governmental Fund Statements	991,355
Depreciation Expense Reported in the Statement of Activities	(1,241,344)
Net Book Value of Disposals	(137,598)

Governmental funds do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(46,031)
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Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	
Principal Repaid	300,000

The proportionate share of the change in net position related to the joint venture reported in the Statement of Net Position neither provides or uses current financial resources and are not reported in the fund statements	(93,941)
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Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:

Accrued Interest on Long-Term Debt	502
Amortization of Premiums	4,818
Compensated Absences	(37,584)
Net Pension Liability (Asset)	444,369
Deferred Outflows of Resources Related to Pensions	(732,037)
Deferred Inflows of Resources Related to Pensions	349,888
Other Postemployment Benefits	(8,398)
Deferred Outflows of Resources Related to Other Postemployment Benefits	(121)
Deferred Inflows of Resources Related to Other Postemployment Benefits	10,775

Repayment of principal on long-term receivable and loans made are reported in the governmental funds as a revenue or expenditure, but are reported as a change in the long-term receivable in the Statement of Net Position and does not affect the statement of activities. Current year activity consists of:

Loans Issued	538,240
Repayments Received	(41,017)

Change in Net Position of Governmental Activities as Reported in the Statement of Activities	\$ 699,491
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See accompanying Notes to Basic Financial Statements.

CITY OF MEDFORD, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2024

	Budget		Actual	Variance Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes	\$ 1,299,749	\$ 1,299,749	\$ 1,267,774	\$ (31,975)
Special Assessments	165,000	165,000	145,889	(19,111)
Intergovernmental	1,922,556	1,922,556	2,061,567	139,011
Licenses and Permits	58,845	58,845	56,897	(1,948)
Fines and Forfeits	18,000	18,000	34,699	16,699
Public Charges for Services	45,250	45,250	92,537	47,287
Intergovernmental Charges for Services	129,000	129,000	129,132	132
Miscellaneous	133,500	133,500	476,213	342,713
Total Revenues	3,771,900	3,771,900	4,264,708	492,808
EXPENDITURES				
Current:				
General Government	919,771	919,771	821,343	98,428
Public Safety	1,158,294	1,158,294	1,237,511	(79,217)
Public Works	1,526,049	1,526,049	1,046,117	479,932
Health and Human Services	11,784	11,784	11,784	-
Culture and Recreation	238,350	238,350	387,128	(148,778)
Conservation and Development	35,675	35,675	69,575	(33,900)
Capital Outlay	138,385	138,385	36,351	102,034
Total Expenditures	4,028,307	4,028,307	3,609,809	418,498
Excess of Revenues Over (Under) Expenditures	(256,407)	(256,407)	654,899	911,306
OTHER FINANCING SOURCES (USES)				
Transfers In	390,000	390,000	351,375	(38,625)
Transfers Out	(228,156)	(228,156)	(1,411,172)	(1,183,016)
Total Other Financing Sources (Uses)	161,844	161,844	(1,059,797)	(1,221,641)
NET CHANGE IN FUND BALANCE	(94,563)	(94,563)	(404,898)	(310,335)
Fund Balance - Beginning of Year	7,728,867	7,728,867	7,728,867	-
FUND BALANCE - END OF YEAR	<u>\$ 7,634,304</u>	<u>\$ 7,634,304</u>	<u>\$ 7,323,969</u>	<u>\$ (310,335)</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MEDFORD, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2024

	Electric Utility	Water Utility	Sewer Utility	Nonmajor Recycling - Solid Waste	Total
ASSETS					
CURRENT ASSETS					
Cash and Investments	\$ 1,120,008	\$ 1,234,312	\$ 2,711,458	\$ 567,955	\$ 5,633,733
Receivables:					
Accounts	1,123,853	125,569	146,565	56,126	1,452,113
Interest	1,779	492	5,893	-	8,164
Prepaid Items and Supplies	419,831	79,151	-	-	498,982
Total Current Assets	2,665,471	1,439,524	2,863,916	624,081	7,592,992
NONCURRENT ASSETS					
Restricted and Other Assets:					
Cash and Investments	-	160,263	951,609	-	1,111,872
CAPITAL ASSETS					
Nondepreciable	102,869	183,375	3,158,431	-	3,444,675
Depreciable	8,020,286	13,097,650	5,290,328	246,099	26,654,363
Total Capital Assets	8,123,155	13,281,025	8,448,759	246,099	30,099,038
Total Assets	10,788,626	14,880,812	12,264,284	870,180	38,803,902
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	320,702	50,250	164,304	-	535,256
Other Postemployment Related Amounts	4,155	651	2,179	-	6,985
Total Deferred Outflows of Resources	324,857	50,901	166,483	-	542,241
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	762,891	6,511	127,971	29,384	926,757
Other Accrued Liabilities	15,193	-	-	-	15,193
Accrued Interest	-	1,785	6,156	-	7,941
Unearned Revenue	2,407	-	-	-	2,407
Public Benefits	44,291	-	-	-	44,291
Current Portion of Long-Term Debt					
General Obligation Debt	-	80,000	213,138	-	293,138
Revenue Bonds	-	8,193	-	-	8,193
Total Current Liabilities	824,782	96,489	347,265	29,384	1,297,920
LONG-TERM OBLIGATIONS, LESS CURRENT PORTION					
General Obligation Debt	-	510,000	2,227,174	-	2,737,174
Revenue Bonds	-	179,748	-	-	179,748
Compensated Absences	15,581	4,031	7,370	-	26,982
Customer Advances for Construction	15,651	-	-	-	15,651
Net Pension Liability	35,696	5,589	18,723	-	60,008
Other Postemployment Benefits	12,732	1,994	6,678	-	21,404
Total Long-Term Liabilities	79,660	701,362	2,259,945	-	3,040,967
Total Liabilities	904,442	797,851	2,607,210	29,384	4,338,887
DEFERRED INFLOWS OF RESOURCES					
Pension Related Amounts	190,701	29,859	100,025	-	320,585
Other Postemployment Related Amounts	12,262	1,920	6,431	-	20,613
Total Deferred Inflows of Resources	202,963	31,779	106,456	-	341,198
NET POSITION					
Net Investment In Capital Assets	8,123,156	12,503,083	5,852,769	246,099	26,725,107
Restricted					
Capital Expenditures	-	-	951,609	-	951,609
Unrestricted	1,882,922	1,599,000	2,912,723	594,697	6,989,342
Total Net Position	\$ 10,006,078	\$ 14,102,083	\$ 9,717,101	\$ 840,796	\$ 34,666,058

See accompanying Notes to Basic Financial Statements.

CITY OF MEDFORD, WISCONSIN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Electric Utility	Water Utility	Sewer Utility	Nonmajor Recycling - Solid Waste	Total
OPERATING REVENUES					
Charges for Services	\$ 9,969,791	\$ 1,050,577	\$ 1,838,269	\$ 380,908	\$ 13,239,545
Other	58,556	25,318	90,648	402	174,924
Total Operating Revenues	10,028,347	1,075,895	1,928,917	381,310	13,414,469
OPERATING EXPENSES					
Operation and Maintenance	9,112,186	473,098	829,700	405,520	10,820,504
Depreciation	583,112	336,178	1,154,034	29,159	2,102,483
Taxes	72,983	14,322	35,122	-	122,427
Total Operating Expenses	9,768,281	823,598	2,018,856	434,679	13,045,414
OPERATING INCOME (LOSS)	260,066	252,297	(89,939)	(53,369)	369,055
NONOPERATING REVENUES (EXPENSES)					
Interest Income	95,304	4,256	62,655	(4,602)	157,613
Nonoperating Grants	-	-	-	26,088	26,088
Gain (Loss) on Disposal of Capital Assets	-	-	-	108,938	108,938
Interest and Fiscal Charges	-	(14,961)	(39,955)	-	(54,916)
Other Nonoperating Revenues (Expenses)	3,287	267	-	-	3,554
Total Nonoperating Revenues (Expenses)	98,591	(10,438)	22,700	130,424	241,277
INCOME (LOSS) BEFORE CONTRIBUTIONS AND TRANSFERS	358,657	241,859	(67,239)	77,055	610,332
Capital Contributions	50,563	187,941	1,167,882	-	1,406,386
Transfers In	-	-	50,000	-	50,000
Transfers Out	(172,640)	(178,735)	-	-	(351,375)
CHANGE IN NET POSITION	236,580	251,065	1,150,643	77,055	1,715,343
Net Position - Beginning of Year	9,769,498	13,851,018	8,566,458	763,741	32,950,715
NET POSITION - END OF YEAR	<u>\$ 10,006,078</u>	<u>\$ 14,102,083</u>	<u>\$ 9,717,101</u>	<u>\$ 840,796</u>	<u>\$ 34,666,058</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024**

	Electric Utility	Water Utility	Sewer Utility	Nonmajor Recycling - Solid Waste	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	\$ 9,834,317	\$ 1,079,243	\$ 1,914,537	\$ 380,899	\$ 13,208,996
Cash Paid for Employee Wages and Benefits	(666,484)	(208,180)	(390,565)	-	(1,265,229)
Cash Paid to Suppliers	(8,382,580)	(242,495)	(475,290)	(404,429)	(9,504,794)
Net Cash Provided (Used) by Operating Activities	785,253	628,568	1,048,682	(23,530)	2,438,973
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Merchandising/Jobbing (Net)	3,287	267	-	-	3,554
Intergovernmental	-	-	-	26,088	26,088
Transfer to Other Funds	(172,640)	(178,735)	-	-	(351,375)
Net Cash Provided (Used) by Noncapital Financing Activities	(169,353)	(178,468)	-	26,088	(321,733)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of Capital Assets	(362,649)	(1,257,051)	(2,279,183)	(163,500)	(4,062,383)
Capital Contributions	50,563	187,941	1,047,669	-	1,286,173
Intergovernmental Grant	-	-	-	-	-
Transfer from Other Funds	-	-	50,000	-	50,000
Proceeds from Long-Term Debt Issued	-	187,941	1,015,789	-	1,203,730
Principal Paid on Long-Term Debt	-	(85,000)	(170,000)	-	(255,000)
Interest Paid on Long-Term Debt	-	(14,568)	(41,152)	-	(55,720)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(312,086)	(980,737)	(376,877)	(163,500)	(1,833,200)
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest Received	42,538	(5,948)	57,305	698	94,593
CHANGE IN CASH AND CASH EQUIVALENTS	346,352	(536,585)	729,110	(160,244)	378,633
Cash and Cash Equivalents - Beginning of Year	667,209	1,921,773	2,916,945	727,900	6,233,827
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,013,561</u>	<u>\$ 1,385,188</u>	<u>\$ 3,646,055</u>	<u>\$ 567,656</u>	<u>\$ 6,612,460</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MEDFORD, WISCONSIN
STATEMENT OF CASH FLOWS (CONTINUED)
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Electric Utility	Water Utility	Sewer Utility	Nonmajor Recycling - Solid Waste	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating Income (Loss)	\$ 260,066	\$ 252,297	\$ (89,939)	\$ (53,369)	\$ 369,055
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities					
Depreciation	583,112	336,178	1,154,034	29,159	2,102,483
Depreciation Charged to Other Accounts	40,283	18,110	(18,110)	-	40,283
Change on Liability (Asset) and Deferred Outflows and Inflows of Resources:					
Change in WRS Asset/Liability	(93,535)	(18,988)	(56,538)	-	(169,061)
Change in WRS Deferred Outflow	162,709	40,836	122,370	-	325,915
Change in WRS Deferred Inflow	(105,210)	3,723	(57,558)	-	(159,045)
Change in OPEB Liability	1,253	(189)	(7)	-	1,057
Change in OPEB Deferred Outflow	184	174	348	-	706
Change in OPEB Deferred Inflow	(2,705)	(926)	(2,285)	-	(5,916)
Change in Operating Assets and Liabilities:					
Accounts Receivables	(199,846)	3,348	(14,380)	(411)	(211,289)
Prepaid Items and Supplies	45,758	(1,684)	-	-	44,074
Accounts Payable	80,967	(8,334)	3,674	1,091	77,398
Other Accrued Liabilities	(7,263)	-	(297)	-	(7,560)
Due to Other Governments	(1,917)	(8)	-	-	(1,925)
Unearned Revenue	(2,311)	-	-	-	(2,311)
Compensated Absences	15,581	4,031	7,370	-	26,982
Public Benefits	8,127	-	-	-	8,127
Net Cash Provided by Operating Activities	<u>\$ 785,253</u>	<u>\$ 628,568</u>	<u>\$ 1,048,682</u>	<u>\$ (23,530)</u>	<u>\$ 2,438,973</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION					
Cash and Investments in Current Assets	\$ 1,120,008	\$ 1,234,312	\$ 2,711,458	\$ 567,955	\$ 5,633,733
Cash and Investments in Restricted and Other Assets	-	160,263	951,609	-	1,111,872
Total Cash and Investments	1,120,008	1,394,575	3,663,067	567,955	6,745,605
Less: Noncash Equivalents	(106,447)	(9,387)	(17,012)	(299)	(133,145)
Total Cash and Cash Equivalents	<u>\$ 1,013,561</u>	<u>\$ 1,385,188</u>	<u>\$ 3,646,055</u>	<u>\$ 567,656</u>	<u>\$ 6,612,460</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Assets Purchased on Account	<u>\$ 46,721</u>	<u>\$ -</u>	<u>\$ 108,957</u>	<u>\$ -</u>	<u>\$ 155,678</u>

See accompanying Notes to Basic Financial Statements.

CITY OF MEDFORD, WISCONSIN
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2024

	Tax Collection Custodial Fund	Medford Area Fire Department Custodial Fund	State CDBG Loan Collections	Total
ASSETS				
Cash and Investments	\$ 1,487,017	\$ 279,085	\$ 4,640	\$ 1,770,742
Accounts Receivable	-	9,423	-	9,423
Property Taxes Receivable	3,929,738	-	-	3,929,738
Total Assets	5,416,755	288,508	4,640	5,709,903
LIABILITIES				
Accounts Payable	-	16,322	-	16,322
Accrued Liabilities	-	11,511	-	11,511
Due to Other Governments	-	-	1,070	1,070
Unearned Revenue	-	14,276	-	14,276
Total Liabilities	-	42,109	1,070	43,179
DEFERRED INFLOWS OF RESOURCES				
Property Taxes Levied for Subsequent Year	5,416,755	-	-	5,416,755
NET POSITION				
Held for Others	\$ -	\$ 246,399	\$ 3,570	\$ 249,969

See accompanying Notes to Basic Financial Statements.

CITY OF MEDFORD, WISCONSIN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	Tax Collection Custodial Fund	Medford Area Fire Department Custodial Fund	State CDBG Loan Collections	Total
ADDITIONS				
Property Tax Collections	\$ 5,156,344	\$ -	\$ -	\$ 5,156,344
Public Charges for Services	-	29,778	-	29,778
Intergovernmental Charges for Services	-	221,500	-	221,500
Miscellaneous	-	46,844	15,847	62,691
Total Additions	5,156,344	298,122	15,847	5,470,313
DEDUCTIONS				
Payments to Taxing Jurisdictions	5,156,344	-	-	5,156,344
Payments to State	-	-	12,277	12,277
Payments to Vendors and Suppliers	-	231,676	-	231,676
Capital Outlay	-	507,893	-	507,893
Total Deductions	5,156,344	739,569	12,277	5,908,190
CHANGE IN NET POSITION	-	(441,447)	3,570	(437,877)
Net Position - Beginning of Year	-	687,846	-	687,846
NET POSITION - END OF YEAR	<u>\$ -</u>	<u>\$ 246,399</u>	<u>\$ 3,570</u>	<u>\$ 249,969</u>

See accompanying Notes to Basic Financial Statements.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

City of Medford Community Development Authority

The City of Medford Community Development Authority (CDA) of the City of Medford, Wisconsin, was created on September 5, 2000 by resolution of the Common Council of the City of Medford pursuant to the authority granted in Section 66.1335 of the Wisconsin Statutes. The Authority is governed by a seven-member Commission appointed by the Mayor and approved by the Common Council. Commission members must be residents of the City (two must also be members of the Common Council or Mayor of the City) and serve staggered terms. The Authority is expressly granted exclusive power to carry on economic development and blight elimination projects in the City. The CDA is granted various powers under Wisconsin Statutes to enable it to carry out its duties, including the specific authority to take title to real and personal property and to issue bonds for redevelopment purposes. Wisconsin statutes provide for circumstances whereby the City can impose their will on the Authority, and also create a potential financial benefit to or burden on the City. The Authority has no taxing power. The CDA's financial statements have been blended in the City's basic financial statements.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Joint Venture

The Medford Fire and Rescue Joint Ownership District (the District) was established in 1990 for the purpose of providing fire and rescue service protection to the territory included within the District. The municipalities participating in the District and their percentage shares are as follows:

City of Medford	34.21 %
Town of Browning	8.53
Town of Chelsea	7.50
Town of Goodrich	4.75
Town of Grover	4.40
Town of Hammel	10.07
Town of Medford	25.29
Town of Molitor	5.25
Total	<u>100.00 %</u>

The City operates as the fiscal agent for the District's operations. The activity of the District and its related financial information is accounted for in the City's financial system as a custodial fund.

The percentage share of each municipality is based on their share of equalized value within the District. The governing body consists of fourteen voting members, six from the City of Medford, two from one township, and one from each of the remaining six townships. Each municipality may select their "commissioner" in such manner as they see fit. Budgets and equipment purchases over \$5,000 require an affirmative vote of nine or more commissioners. All other action requires a majority vote of the commissioners present. District dues are based on the above percentages. Other fire calls are billed on an as used basis. Shortfalls are allocated to each member based on the equalized valuation as of January 1 of the year in question.

The City accounts for its share of the operation as an expense in the general fund. In 2024, the City made contributions totaling \$46,363. The City has a residual equity interest in the District only upon liquidation equal to its percentage share of participation. The equity interest at December 31, 2024 is \$433,259.

C. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City. *Governmental activities*, which are primarily supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for services.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds. Governmental funds include general, special revenue, debt service and capital projects funds. Proprietary funds include enterprise funds. The City has no internal service funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

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

Debt Service Fund

This fund accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of the governmental funds.

Affordable Housing

A special revenue fund used to account for funds collected from the closure of TID Districts restricted for use in affordable housing projects by Wisconsin Statutes.

Construction Capital Projects Fund

This fund accounts for financial resources of public works construction projects other than those financed by proprietary fund types.

Tax Incremental District 14 Capital Projects Fund

These funds are used to account for the project plan costs of the City's Tax Incremental District No. 14.

The City reports the following major enterprise funds:

Electric Utility Fund

This fund accounts for the purchase and resale of electricity to utility customers.

Water Utility Fund

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Sewer Utility Fund

This fund accounts for the operations of the City's sewer utility.
The City also reports the following fiduciary fund type:

Custodial Fund

The tax collection custodial fund accounts for property taxes and special charges collected on behalf of other governments. The Medford Area Fire Department Custodial Fund accounts for the activities of the Medford Area Fire Department, a separate entity from the City of Medford. The City also acts as a collecting entity for various CDBG loans which are then remitted to the State.

D. Measurement Focus and Basis of Accounting

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

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Measurement Focus and Basis of Accounting (Continued)

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, and fees and fines, 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.

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

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

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

1. Cash and Investments

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

2. Property Taxes

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement. Delinquent personal property taxes remain the collection responsibility of the City.

In addition to its levy, the City also levies and collects taxes for the Medford School District, Taylor County, and Northcentral Technical College. Collections and remittances of taxes for other entities are accounted for in a custodial fund.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

3. Accounts Receivable

Accounts receivable are recorded at gross amounts with uncollectible amounts recognized under the direct write-off method. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material to the basic financial statements.

4. Special Assessments

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

5. Interfund Receivables and Payables

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

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

6. Prepaid Items and Supplies

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items and are expensed during the periods benefited. The City also maintains various materials and supplies used to maintain the electric, water, and sewer infrastructure systems. Supplies are recorded when purchased at cost, and expensed when utilized for repairs or maintenance.

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

7. Capital Assets

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

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

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

	Governmental Activities	Business-Type Activities
Assets	Years	
Buildings and Improvements	20 - 40	25 - 50
Machinery and Equipment	5 - 20	3 - 10
Infrastructure	25 - 100	66 - 100

8. Compensated Absences

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

9. Deferred Outflows/Inflows of Resources

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

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

10. Long-Term Obligations

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

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

11. 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 purposes of measuring the following:

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

11. Pensions (Continued)

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purposes, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

12. Other Postemployment Benefits Other Than Pensions (OPEB)

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the following:

- Net OPEB liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs, and
- OPEB expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

13. Fund Equity

Governmental Fund Financial Statements

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

- **Nonspendable Fund Balance.** Amounts that are not in spendable form (such as prepaid items and supplies) or are legally or contractually required to remain intact.
- **Restricted Fund Balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Committed Fund Balance.** Amounts that are constrained for specific purposes by action of the City Council. These constraints can only be removed or changed by the City Council using the same action that was used to create them.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

13. Fund Equity (Continued)

- **Assigned Fund Balance.** Amounts that are constrained for specific purposes by action of City management. The City Council has not authorized a specific employee to assign fund balance.
- **Unassigned Fund Balance.** Amounts that are available for any purpose. Positive unassigned amounts are only reported in the General Fund.

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

Government-Wide and Proprietary Fund Statements

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

- **Net Investment in Capital Assets.** Amount of capital assets, net of accumulated depreciation, and capital related deferred outflows of resources less outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets and any capital related deferred inflows of resources.
- **Restricted Net Position.** Amount of net position that is subject to restrictions that are imposed by 1) external groups, such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position.** Net position that is neither classified as restricted nor as net investment in capital assets.

F. Sales Tax

The City collects sales tax from certain customers and remits the entire amount to the appropriate governmental entities. The City's accounting policy is to exclude the tax collected and remitted from revenues and cost of sales.

G. Use of Estimates

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

H. Change to or Within Financial Reporting Entity

The Affordable Housing Fund previously did not meet the criteria to be reported as a major governmental fund. However effective January 1, 2024, the fund now does t meet the criteria to be reported as a major fund and are reported as such for the fiscal year ended December 31, 2024. The effect of that change to or within the financial reporting entity is shown in the table below:

	December 31, 2023 As Previously Reported	Change to or Within the Financial Reporting Entity	December 31, 2023 As Adjusted
Governmental Funds:			
Major Funds:			
Affordable Housing	\$ -	\$ 207,204	\$ 207,204
Other Nonmajor			
Governmental Funds	213,036	(207,204)	5,832

I. Change in Accounting Principle

Effective January 1, 2024, the City implemented GASB Statement No. 101, Compensated Absences. This statement updated the recognition and measurement guidance for compensated absences and associated salary related payments and amended certain previously required disclosures. The implementation of this standard did not affect beginning net position for the City.

NOTE 2 STEWARDSHIP AND COMPLIANCE

A. Budgets and Budgetary Accounting

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

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

2. Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all governmental funds, except for the police department and fire department membership funds. Budget is defined as the originally approved budget plus or minus approved amendments. Individual amendments throughout the year were not material in relation to the original budget. Budget appropriations not expended during the year are closed to fund balance unless authorized by the governing body to be forwarded into the succeeding year's budget.
3. During the year, formal budgetary integration is employed as a management control device for the governmental funds adopting a budget. Management control for the capital projects funds is achieved through project authorizations included in debt issue resolutions. The expenditures of the tax increment districts are controlled and authorized by project plans and borrowing resolutions.
4. Expenditures may not exceed appropriations provided in detailed budget accounts maintained for each activity or department of the City. Amendments to the budget during the year require initial approval by management and are subsequently authorized by the City Council.

The City did not have any material violation of legal or contractual provisions for the fiscal year ended December 31, 2024.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

B. Excess of Expenditures Over Budget Appropriations

The following expenditure accounts of the governmental funds had actual expenditures in excess of budget appropriations for the year ended December 31, 2024 as follows:

Fund(s)	Excess Expenditures
General Fund:	
Legal Publications	\$ 646
Mayor	1,390
City Clerk	6,472
Finance Clerical	6,157
Administrator	3,619
Planner	3,090
Treasurer	8,599
Local Assessor	2,000
Property Insurance	2,246
Police	72,216
Traffic Control	3,749
Street Cleaning	8,757
Street Maintenance	112,138
Machinery & Equipment	31,916
Dams & Bridges	2,000
Street Lighting	41,533
Sidewalk Maintenance	7,474
Storm Sewer Maintenance	15,965
Taxi Service	1,285
Park Grounds	79,765
Pools	51,064
Riverwalk Expense	466
Brush Control	32,563
Economic Development	3,580

C. Deficit Fund Equity

The following funds had deficit fund balance or net position as of December 31, 2024:

Funds	Deficit Fund Balance
Special Revenue	
Affordable Housing	\$ 188,793
Capital Projects:	
TID No. 7	115,087
TID No. 10	220,052
TID No. 13	300,281
TID No. 14	2,000,336

The City anticipates funding the above deficits from future revenues, borrowings, and tax increments of the funds.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 2 STEWARDSHIP AND COMPLIANCE (CONTINUED)

D. Property Tax Levy Limit

Wisconsin state statutes provide for a limit on the property tax levies for all Wisconsin cities, villages, towns and counties. For the 2024 and 2025 budget years, Wisconsin Statutes limit the increase in the maximum allowable tax levy to the change in the City's January 1 equalized value as a result of net new construction. The actual limit for the City for the 2024 budget was 0.59%. The actual limit for the City for the 2025 budget was 2.06%. Debt service for debt authorized after July 1, 2005 is exempt from the levy limit. In addition, Wisconsin statutes allow the limit to be adjusted for the increase in debt service authorized prior to July 1, 2005 and in certain other situations.

For budget year 2024, the City incorrectly calculated the property tax levy and levied taxes \$55,000 higher than the allowable amount. The City had a reduction of State Shared Revenue of \$55,000 in 2024 as a result of this levy limit violation.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash and Investments

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

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

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

The carrying amount of the City's cash and investments totaled \$15,601,513 on December 31, 2024 as summarized below:

Petty Cash and Cash on Hand	\$ 1,189
Deposits with Financial Institutions	10,625,272
Investments	
U.S. Treasuries	182,018
State and Municipal Bonds	297,289
US Agencies	1,309,450
Negotiable Certificates of Deposit	3,119,347
Money Market	66,948
Total	<u>\$ 15,601,513</u>

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Reconciliation to the basic financial statements:

Government-Wide Statement of Net Position:

Cash and Investments \$ 12,804,833

Restricted Cash and Investments 1,025,938

Fiduciary Fund Statement of Net Position:

Custodial Funds 1,770,742

Total \$ 15,601,513

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant observable inputs; Level 3 inputs are significant unobservable inputs. The City has the following fair value measurements as of December 31, 2024:

	Fair Value Measurements Using:		
	Level 1	Level 2	Level 3
Investments:			
U.S. Treasuries	\$ -	\$ 182,018	\$ -
State and Municipal Bonds	-	297,289	-
US Agencies	-	1,309,450	-
Negotiable Certificates of Deposit	-	3,119,347	-
Money market mutual funds	66,948	-	-
Total	<u>\$ 66,948</u>	<u>\$ 4,908,104</u>	<u>\$ -</u>

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

Custodial Credit Risk

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

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Custodial Credit Risk (Continued)

Deposits with financial institutions within the State of Wisconsin are insured by the Federal Deposit Insurance Corporation (FDIC) in the amount of \$250,000 for the combined amount of all time and savings deposits and \$250,000 for interest-bearing and noninterest-bearing demand deposits per official custodian per insured depository institution. Deposits with financial institutions located outside the State of Wisconsin are insured by the FDIC in the amount of \$250,000 for the combined amount of all deposit accounts per official custodian per depository institution. Deposits with credit unions are insured by the National Credit Union Share Insurance Fund (NCUSIF) in the amount of \$250,000 per credit union member. Also, the State of Wisconsin has a State Guarantee Fund which provides a maximum of \$1,000,000 per public depository above the amount provided by an agency of the U.S. Government. However, due to the relatively small size of the State Guarantee Fund in relation to the Fund's total coverage, total recovery of insured losses may not be available. This coverage has been considered in determining custodial credit risk.

As of December 31, 2024, \$2,742,622 of the City's deposits with financial institutions were in excess of federal and state depository insurance limits and was collateralized with securities held by the pledging financial institution or its trust department or agent but not in the City's name.

Credit Risk

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

Investment Type	Amount	Exempt from Disclosure	AAA	AA	Not Rated
U.S. Treasuries	\$ 182,018	\$ 182,018	\$ -	\$ -	\$ -
State and Municipal Bonds	297,289	-	-	297,289	-
US Agencies	1,309,450	-	1,309,450	-	-
Negotiable Certificates of Deposit	3,119,347	-	-	-	3,119,347
Totals	<u>\$ 4,908,104</u>	<u>\$ 182,018</u>	<u>\$ 1,309,450</u>	<u>\$ 297,289</u>	<u>\$ 3,119,347</u>

CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Cash and Investments (Continued)

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City has a formal investment policy that limits investment maturities and structuring investment portfolios based on cash requirements of ongoing operations as a means of managing its exposure to fair value losses arising from increasing interest rates.

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

Investment Type	Amount	Remaining Maturity (in Months)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
US Treasuries	\$ 182,018	\$ 127,732	\$ 54,286	\$ -	\$ -
State and Municipal Bonds	297,289	-	153,102	144,187	-
US Agencies	1,309,450	551,613	757,837	-	-
Negotiable Certificates of Deposit	3,119,347	2,584,621	534,726	-	-
Totals	<u>\$ 4,908,104</u>	<u>\$ 3,263,966</u>	<u>\$ 1,499,951</u>	<u>\$ 144,187</u>	<u>\$ -</u>

B. Restricted Assets

Restricted and other assets on December 31, 2024 totaled \$1,025,938 and consisted of cash and investments held for the following purposes:

Funds	Amount	Purpose
Community Development Authority TID 13 Contribution	\$ 75,933	To be spent on TIF eligible expenditures within TID 13
Sewer Utility: Equipment Replacement	<u>950,005</u>	To be used for the replacement of certain equipment of the sewer utility in accordance with Wisconsin Department of Natural Resources requirements
Total	<u>\$ 1,025,938</u>	

C. Long-Term Receivables

The City's outstanding loan receivables of \$1,484,586 as of December 31, 2024 represent loans to local business owners. The loans are scheduled to be repaid through 2043. Based on the payment schedule for loans receivables, \$1,435,586, of the amounts reported is not expected to be collected within the next year.

Based on the payment schedule for special assessment receivables, \$347,267 of the amounts reported in the general fund is not expected to be collected within the next year.

CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 1,499,108	\$ -	\$ -	\$ 1,499,108
Construction in Progress	419,375	75,876	419,375	75,876
Total Capital Assets, Nondepreciable	1,918,483	75,876	419,375	1,574,984
Capital Assets, Depreciable:				
Buildings and Improvements	6,017,969	511,325	-	6,529,294
Machinery and Equipment	2,990,004	473,299	353,137	3,110,166
Infrastructure	33,693,029	350,230	-	34,043,259
Subtotals	42,701,002	1,334,854	353,137	43,682,719
Less Accumulated Depreciation for:				
Buildings and Improvements	3,219,420	177,147	-	3,396,567
Machinery and Equipment	2,198,041	179,105	215,539	2,161,607
Infrastructure	17,340,290	885,092	-	18,225,382
Subtotals	22,757,751	1,241,344	215,539	23,783,556
Total Capital Assets, Depreciable, Net	19,943,251	93,510	137,598	19,899,163
Governmental Activities Capital Assets, Net	<u>\$ 21,861,734</u>	<u>\$ 169,386</u>	<u>\$ 556,973</u>	21,474,147
Less: Capital Related Debt				331,282
Less: Debt Premium				4,821
Less: Capital Related Payables				77,415
Net Investment in Capital Assets				<u>\$ 21,060,629</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-Type Activities:				
Capital Assets, Nondepreciable:				
Land	\$ 149,539	\$ -	\$ -	\$ 149,539
Construction in Progress	1,202,576	2,048,514	14,350	3,236,740
Non-Utility Property	58,396	-	-	58,396
Total Capital Assets, Nondepreciable	1,410,511	2,048,514	14,350	3,444,675
Capital Assets, Depreciable:				
Buildings and Improvements	13,133,790	11,461	-	13,145,251
Machinery and Equipment	13,698,413	542,896	65,110	14,176,199
Infrastructure	35,819,964	1,540,591	48,445	37,312,110
Subtotals	62,652,167	2,094,948	113,555	64,633,560
Less Accumulated Depreciation	35,949,986	2,142,766	113,555	37,979,197
Total Capital Assets, Depreciable, Net	26,702,181	(47,818)	-	26,654,363
Business-Type Activities Capital Assets, Net	<u>\$ 28,112,692</u>	<u>\$ 2,000,696</u>	<u>\$ 14,350</u>	30,099,038
Less: Capital Related Debt				3,188,730
Less: Debt Premium				29,523
Less: Capital Related Payables				155,678
Net Investment in Capital Assets				<u>\$ 26,725,107</u>

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

D. Capital Assets (Continued)

An additional \$1,863,720 of governmental activities debt related to business-type activities capital assets. This debt reduces total net investment in capital assets for the City to \$45,922,016.

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

Governmental Activities:

General Government	\$ 19,902
Public Safety	61,839
Public Works	1,013,801
Culture and Recreation	<u>145,802</u>
Total Depreciation Expense - Governmental Activities	<u><u>\$ 1,241,344</u></u>

Business-Type Activities:

Electric Utility	\$ 583,112
Electric Utility Charged to Clearing Accounts	40,283
Water Utility	336,178
Sewer Utility	1,154,034
Recycling Utility	<u>29,159</u>
Total Depreciation Expense - Business-Type Activities	<u><u>\$ 2,142,766</u></u>

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers

Interfund receivables and payables between individual funds of the City, as reported in the fund financial statements, as of December 31, 2024 are detailed below:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Long-Term Cash Advances:		
General Fund	2,621,309	-
Special Revenue Fund		
Affordable Housing	-	188,793
Capital Projects Funds:		
TID No. 7	-	106,907
TID No. 10	-	206,060
TID No. 13	-	211,307
TID No. 14	-	1,908,242
Subtotal	<u>2,621,309</u>	<u>2,621,309</u>
Totals	<u>\$ 2,621,309</u>	<u>\$ 2,621,309</u>

Advance from the General Fund

General fund advances to tax incremental districts have been made to fund implementation of the District's project plan. No established repayment schedules exist. Interest on the advance is recorded annually.

Interfund transfers for the year ended December 31, 2024 were as follows:

<u>Funds</u>	<u>Transfer In</u>	<u>Transfer Out</u>
General	\$ 351,375	\$ 1,411,172
Special Revenue:		
Library	165,633	-
Community Development Authority	8,000	-
Affordable Housing	137,893	-
Debt Service	326,878	50,000
Capital Projects:		
Construction	1,237,539	-
TID No. 5	-	76,431
TID No. 11	-	61,462
TID No. 13	-	326,878
Enterprise:		
Electric Utility	-	172,640
Water Utility	-	178,735
Sewer Utility	50,000	-
Total	<u>2,277,318</u>	<u>\$ 2,277,318</u>
Interfund Elimination	(1,975,943)	
Capital Assets of Enterprise Funds Financed by City	(120,213)	
Transfers - Governmental Activities	<u>\$ 181,162</u>	

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

E. Interfund Receivable, Payables, and Transfers (Continued)

Interfund transfers were made for the following purposes:

Tax Equivalent Payment Made by Electric Utility to General Fund	\$ 172,640
Tax Equivalent Payment Made by Water Utility to General Fund	178,735
Tax Incremental District Transfers for Debt Retirement Related to the District	326,878
TID Residual Transfer for Affordable Housing	137,893
Fund Capital Projects	1,246,016
Move levy associated with debt service	50,000
Moving Revenues from the Fund Required to Collect Them to the Fund Required or Allowed to Expend Them	165,156
Total	<u><u>\$ 2,277,318</u></u>

F. Long-Term Obligations

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

	Beginning Balance	Issued	Retired	Ending Balance	Due Within One Year
Governmental Activities:					
General Obligation Debt:					
Bonds	\$ 2,495,000	\$ -	\$ 300,000	\$ 2,195,000	\$ 305,000
Debt Premium	9,639	-	4,818	4,821	-
Compensated Absences	7,593	37,584	-	45,177	-
Governmental Activities Long-Term Obligations	<u><u>\$ 2,512,232</u></u>	<u><u>\$ 37,584</u></u>	<u><u>\$ 304,818</u></u>	<u><u>\$ 2,244,998</u></u>	<u><u>\$ 305,000</u></u>
Business-Type Activities:					
General Obligation Debt:					
Bonds	\$ 2,240,000	\$ -	\$ 255,000	\$ 1,985,000	\$ 250,000
Notes	-	1,015,789	-	1,015,789	43,138
Total General Obligation Debt	2,240,000	1,015,789	255,000	3,000,789	293,138
Revenue Bonds	-	187,941	-	187,941	8,193
Debt Premium	33,214	-	3,691	29,523	-
Compensated Absences	-	26,982	-	26,982	-
Business-Type Activities Long-Term Obligations	<u><u>\$ 2,273,214</u></u>	<u><u>\$ 1,230,712</u></u>	<u><u>\$ 258,691</u></u>	<u><u>\$ 3,245,235</u></u>	<u><u>\$ 301,331</u></u>

Total interest paid during the year on long-term debt totaled \$73,598. The change in the compensated absence liability is presented as a net change.

CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

The City's outstanding notes from direct borrowings related to business type activities of \$1,015,789 contain the following provisions in the event of a default: 1) Wisconsin Department of Administration can deduct amounts due from any state payments due to the City or add the amounts due as a special charge to the property taxes apportioned; 2) may appoint a receiver for the Program's benefit; 3) may declare the principal amount immediately due and payable; 4) may enforce any right or obligation under the financing agreement including the right to seek specific performance or mandamus; and 5) may increase the interest rate set forth in the financing agreement to the market interest rate.

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
General Obligation Bond	02/06/18	12/01/32	3.00%	\$ 2,445,000	\$ 1,025,000
General Obligation Bond	08/11/20	04/01/31	0.35 - 1.15%	4,455,000	3,155,000
General Obligation Bond	06/12/24	05/01/44	1.68%	1,015,789	1,015,789
Total Outstanding General Obligation Debt					<u><u>\$ 5,195,789</u></u>

Annual principal and interest maturities of the outstanding general obligation debt of \$5,195,789 on December 31, 2024 are detailed below:

Year Ended December 31,	Governmental Activities Bonded Debt		
	Principal	Interest	Total
2025	\$ 305,000	\$ 22,468	\$ 327,468
2026	310,000	17,693	327,693
2027	310,000	15,678	325,678
2028	310,000	13,198	323,198
2029	315,000	10,408	325,408
2030-2032	645,000	9,124	654,124
Total	<u>\$ 2,195,000</u>	<u>\$ 88,569</u>	<u>\$ 2,283,569</u>

	Business-Type Activities				
	Bonded Debt		Direct Borrowings		Total
	Principal	Interest	Principal	Interest	
2025	\$ 250,000	\$ 36,418	\$ 43,138	\$ 16,743	\$ 346,299
2026	255,000	32,668	43,865	16,011	347,544
2027	260,000	28,543	44,603	15,266	348,412
2028	265,000	24,153	45,354	14,508	349,015
2029	270,000	19,458	46,118	13,738	349,314
2030-2034	685,000	26,506	293,484	65,509	1,070,499
2035-2040	-	-	268,063	30,900	298,963
2041-2044	-	-	231,163	7,867	239,030
	<u>\$ 1,985,000</u>	<u>\$ 167,746</u>	<u>\$ 1,015,788</u>	<u>\$ 180,542</u>	<u>\$ 3,349,076</u>

For governmental activities, the other long-term liabilities are generally funded by the general fund.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

F. Long-Term Obligations (Continued)

Legal Margin for New Debt

The City's legal margin for creation of additional general obligation debt on December 31, 2024 was \$16,663,056 as follows:

Equalized Valuation of the City	\$ 437,176,900
Statutory Limitation Percentage	<u>(x) 5%</u>
General Obligation Debt Limitation, per Section 67.03 of the Wisconsin Statutes	21,858,845
Total Outstanding General Obligation Debt Applicable to Debt Limitation	<u>5,195,789</u>
Legal Margin for New Debt	<u><u>\$ 16,663,056</u></u>

Revenue Bonds

Revenue bond debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/24
Revenue Bonds	09/11/24	05/01/44	1.42%	\$ 187,941	<u>\$ 187,941</u>
Total Outstanding Revenue Bond Debt					<u><u>\$ 187,941</u></u>

Annual principal and interest maturities of the outstanding general obligation debt of \$187,941 on December 31, 2024 are detailed below:

Year Ended December 31,	Business-Type Activities		Total
	Principal	Interest	
2025	\$ 8,193	\$ 2,742	\$ 10,935
2026	8,309	2,492	10,801
2027	8,427	2,373	10,800
2028	8,546	2,253	10,799
2029	8,668	2,130	10,798
2030-2035	45,219	10,119	55,338
2036-2040	48,519	4,741	53,260
2041-2044	52,060	1,200	53,260
Total	<u>\$ 187,941</u>	<u>\$ 28,050</u>	<u>\$ 215,991</u>

The City has pledged future water customer revenues, net of specified operating expenses, to repay the safe drinking water loan. Proceeds from the bonds provided financing for the construction or acquisition of capital assets used with the utility. The bonds are payable solely from water net revenues and are payable through 2044. The total principal and interest remaining to be paid by the water utility is \$187,941 and \$28,050, respectively.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan

1. Plan Description

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

ETF issues a standalone Annual Comprehensive Financial Report, which can be found at <http://etf.wi.gov/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 December 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 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.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

2. Postretirement Adjustments

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2014	4.7	25
2015	2.9	2
2016	0.5	(5)
2017	2.0	4
2018	2.4	17
2019	0.0	(10)
2020	1.7	21
2021	5.1	13
2022	7.4	15
2023	1.6	(21)

3. Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, executives, and elected officials. Starting on January 1, 2016, the executives and elected officials category was merged into the general employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the 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 ended December 31, 2024, the WRS recognized \$240,852 in contributions from the City.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

3. Contributions (Continued)

Contribution rates for the reporting period are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (Including Teachers, Executives, and Elected Officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2023, the City reported a liability of \$238,716 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability 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 City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.01605567%, which was a decrease of 0.00002954% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$166,171.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Experience	\$ 962,503	\$ 1,274,841
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	831,889	-
Changes in Assumptions	104,049	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	5,131	466
Employer Contributions Subsequent to the Measurement Date	240,852	-
Total	<u>\$ 2,144,424</u>	<u>\$ 1,275,307</u>

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

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

\$240,852 reported as deferred outflows related to pension resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<u>Year Ended December 31,</u>	<u>Expense</u>
2025	\$ 129,216
2026	135,967
2027	523,170
2028	(160,088)
Total	<u>\$ 628,265</u>

5. Actuarial Assumptions

The total pension liability in the December 31, 2022, 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
Postretirement Adjustments*	1.7%

* *No postretirement 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 postretirement discount rate.*

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

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.

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:

	Current Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class:			
Public Equity	40.0 %	7.3%	4.5%
Public Fixed Income	27.0	5.8%	3.0%
Inflation Sensitive	19.0	4.4%	1.7%
Real Estate	8.0	5.8%	3.0%
Private Equity/Debt	18.0	9.6%	6.7%
Leverage	(12.0)	3.7%	1.0%
Total Core Fund	<u>100.0 %</u>	7.4%	4.6%
Variable Fund Asset:			
U.S. Equities	70.0 %	6.8%	4.0%
International Equities	30.0	7.6%	4.8%
Total Variable Fund	<u>100.0 %</u>	7.3%	4.5%

New England Pension Consultants Long-Term U.S. CPI (Inflation) Forecast: 2.7%

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

The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

5. Actuarial Assumptions (Continued)

Single Discount Rate. A single discount rate of 6.80% 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 6.80% 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 members contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability (Asset)	\$ 2,307,311	\$ 238,716	\$ (1,208,766)

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>.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

G. Pension Plan (Continued)

6. Payables to the Pension Plan

The City reported a payable of \$0 for the outstanding amount of contributions to the pension plan for the year ended December 31, 2024.

H. Other Postemployment Benefits

Plan Description

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

OPEB Plan Fiduciary Net Position

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found using the link above.

Benefits Provided

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

Contributions

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

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

Contribution rates as of December 31, 2023 are:

<u>Coverage Type</u>	<u>Employer Contribution</u>
50% Postretirement Coverage	40% of Member Contribution
25% Postretirement Coverage	20% of Member Contribution

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

Contributions (Continued)

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the year ended December 31, 2023 are listed below:

Life Insurance Member Contribution Rates For the Year Ended December 31, 2023		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30 - 34	0.06	0.06
35 - 39	0.07	0.07
40 - 44	0.08	0.08
45 - 49	0.12	0.12
50 - 54	0.22	0.22
55 - 59	0.39	0.39
60 - 64	0.49	0.49
65 - 69	0.57	0.57

* Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized \$377 in contributions from the employer.

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

At December 31, 2023, the City reported a liability of \$85,145 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2023 rolled forward to December 31, 2023. No material changes in assumptions or benefits terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 0.01850700%, which was a decrease of 0.00136000% from its proportion measured as of December 31, 2022.

For the year ended December 31, 2023, the City recognized OPEB expense of \$6,033.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

H. Other Postemployment Benefits (Continued)

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

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ -	\$ 7,536
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	1,150	-
Changes in Assumptions	26,635	33,528
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	-	40,935
Total	<u>\$ 27,785</u>	<u>\$ 81,999</u>

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

<u>Year Ended December 31,</u>	<u>Expense</u>
2025	\$ (12,938)
2026	(10,684)
2027	(12,220)
2028	(10,510)
2029	(7,992)
Thereafter	130
Total	<u>\$ (54,214)</u>

Actuarial Assumptions. The total OPEB liability in the January 1, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset):	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry age normal
20 Year Tax-Exempt Municipal Bond Yield*:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal Index

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

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

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 OPEB liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return %</u>
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interim Credit	40%	2.32%
U.S. Mortgages	Bloomberg U.S. MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

I. Other Postemployment Benefits (Continued)

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

Single Discount Rate. A single discount rate of 3.32% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.76% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the bond rate from 3.72% as of December 31, 2022 to 3.26% as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the City's Proportionate Share of Net OPEB Liability (Asset) to Changes in the Discount Rate. The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase to Discount Rate (4.32%)
City's Proportionate Share of the Net OPEB Liability (Asset)	\$ 114,403	\$ 85,145	\$ 62,810

Payable to the OPEB Plan

The City reported a payable of \$0 for the outstanding amount of contribution to the Plan required for the year ended December 31, 2024.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity

Nonspendable Fund Balance

In the fund financial statements, portions of the governmental fund balances are amounts that cannot be spent because they are either 1) not in spendable form or 2) legally or contractually required to be maintained intact. At December 31, 2024, nonspendable fund balance was as follows:

General Fund:

Nonspendable:

Prepaid Items and Supplies	\$ 44,499
Delinquent Specials Held by County	1,969
Utility Special Assessments	36,668
Advances to Other Funds	<u>2,621,309</u>
Total Nonspendable Fund Balance	<u><u>\$ 2,704,445</u></u>

Restricted Fund Balance

In the fund financial statements, portions of governmental fund balances are not available for appropriation or are legally restricted for use for a specific purpose. At December 31, 2024, restricted fund balance was as follows:

Special Revenue Funds

Restricted for:

Community Development Authority	\$ 147,449
Police Department	54,708
Fire Department Membership	90,189

Debt Service Fund

Restricted for:

Retirement of Long-Term Debt	<u>776,690</u>
Total Restricted Fund Balance	<u><u>\$ 1,069,036</u></u>

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

J. Fund Equity (Continued)

Committed Fund Balance

In the fund financial statements, portions of government fund balances are committed by City Council action. At December 31, 2024, fund balance was committed as follows:

Special Revenue Funds:

Committed for:

Landfill	\$ 155,400
Library	218,478
Total Committed Fund Balance	<u>\$ 373,878</u>

Assigned Fund Balance

Portions of governmental fund balances have been assigned to represent tentative management plans that are subject to change. At December 31, 2024, fund balance was assigned as follows:

General Fund:

Accounting Software	\$ 25,000
Capital Construction	155,430
Chamber Building Maintenance	24,945
City Office Equipment	61,172
Citywide Assessment Revaluation	68,783
Election Equipment	1,000
Capital Outlay Public Building	3,000
Fire Department - Vehicles	5,834
Geographical Information System (GIS)	10,601
Insurance Premium	275,312
Park Development	230,158
Police Vehicles	34,810
Public Works Equipment	123,707
Public Works Sand, Salt, and Rental	291,569
Recreation	29,552
Swimming Pool	38,200
Website Development	7,832
Subtotal	<u>1,386,905</u>

Construction Capital Projects Funds:

Assigned for Subsequent Year's Expenditures:	<u>99,662</u>
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Total	<u><u>\$ 1,486,567</u></u>
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**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION

A. Tax Incremental Financing Districts

The City has established separate capital projects funds for Tax Incremental District (TID) No. 7, No. 10, No. 13 and No. 14 which were created by the City in accordance with Section 66.1105 of the Wisconsin Statutes. At the time the District was created, the property tax base within the District was “frozen” and increment taxes resulting from increases to the property tax base are used to finance District improvements, including principal and interest on long-term debt issued by the City to finance such improvements. The Statutes allow eligible project costs to be incurred up to five years prior to the maximum termination date. The City’s District is still eligible to incur project costs.

Since creation of the above Districts, the City has provided various financing sources to the TID. The foregoing amounts are not recorded as liabilities in the TID capital project fund but can be recovered by the City from any future excess tax increment revenues. As of December 31, 2024, the City can recover \$4,627,516 from future excess tax increment revenues of the following:

	Advance / Due from Other Funds	Portion of General Obligation Debt	Deficit or (Available Resources)	Total
TID No. 7	\$ 106,907	\$ -	\$ 8,180	\$ 115,087
TID No. 10	206,060	-	13,992	220,052
TID No. 13	211,307	2,195,000	88,974	2,495,281
TID No. 14	1,908,242	-	92,094	2,000,336
Total	<u>\$ 2,432,516</u>	<u>\$ 2,195,000</u>	<u>\$ 203,240</u>	<u>\$ 4,830,756</u>

During the year ended December 31, 2024, the City terminated TID No. 6. The intent of the City is to recover the above amounts from future TID surplus funds, if any, prior to termination of the respective Districts. Unless terminated by the City prior thereto, each TID has a statutory termination year as follows:

	Base Year	Maximum Life
TID No. 7 ⁽¹⁾	1997	9/16/2030
TID No. 10 ⁽¹⁾	1999	9/16/2030
TID No. 13 ⁽¹⁾	2005	9/16/2030
TID No. 14 ⁽¹⁾	2022	3/21/2043

⁽¹⁾ The District has been designated as a donor or donee district; therefore, the District’s maximum life has been extended.

**CITY OF MEDFORD, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024**

NOTE 4 OTHER INFORMATION (CONTINUED)

B. Enterprise Fund – Significant Customer

The electric utility has one significant customer who was responsible for 16% of operating revenues for the year ended December 31, 2024.

C. Risk Management

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

D. Contingencies

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

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF MEDFORD, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)
WISCONSIN RETIREMENT SYSTEM
LAST TEN MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll (plan year)	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
12/31/14	0.01632356%	\$ (400,951)	\$ 2,098,523	19.11%	102.74%
12/31/15	0.01633878%	265,502	2,056,590	12.91%	98.50%
12/31/16	0.01636869%	265,502	2,122,925	12.51%	99.12%
12/31/17	0.01635136%	134,917	2,164,968	6.23%	102.93%
12/31/18	0.01652390%	587,868	2,199,504	26.73%	96.45%
12/31/19	0.01662122%	(535,944)	2,298,779	-23.31%	102.96%
12/31/20	0.01647381%	(1,028,483)	2,272,813	-45.25%	105.26%
12/31/21	0.01637148%	(1,319,572)	2,351,180	-56.12%	106.02%
12/31/22	0.01608521%	852,146	2,306,835	36.94%	95.72%
12/31/23	0.01605567%	238,716	2,525,335	9.45%	98.85%

SCHEDULE OF CONTRIBUTIONS
WISCONSIN RETIREMENT SYSTEM
LAST TEN FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll (fiscal year)	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 154,908	\$ 154,908	\$ -	\$ 2,056,590	7.53%
12/31/16	155,771	155,771	-	2,122,925	7.34%
12/31/17	169,741	169,741	-	2,164,968	7.84%
12/31/18	170,064	170,064	-	2,199,504	7.73%
12/31/19	177,142	177,142	-	2,298,779	7.71%
12/31/20	183,721	183,721	-	2,272,813	8.08%
12/31/21	189,768	189,768	-	2,351,180	8.07%
12/31/22	185,901	185,901	-	2,306,835	8.06%
12/31/23	223,987	223,987	-	2,525,335	8.87%
12/31/24	240,852	240,852	-	2,751,757	8.75%

See accompanying Notes to Required Supplementary Information.

CITY OF MEDFORD, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN MEASUREMENT PERIODS

Measurement Period Ending	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered- Employee Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered- Employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
12/31/17	0.04205500%	\$ 126,526	\$ 2,164,968	5.84%	44.84%
12/31/18	0.03982800%	102,771	2,199,504	4.67%	48.69%
12/31/19	0.03524700%	150,089	2,199,504	6.82%	37.58%
12/31/20	0.02601900%	143,123	2,272,813	6.30%	37.58%
12/31/21	0.02271500%	134,255	2,351,180	5.71%	29.57%
12/31/22	0.01986700%	75,690	2,306,835	3.28%	38.81%
12/31/23	0.01850700%	85,144	2,631,534	3.24%	33.90%

SCHEDULE OF CONTRIBUTIONS
LOCAL RETIREE LIFE INSURANCE FUND
LAST TEN FISCAL YEARS

Fiscal Year Ending	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered- Employee Payroll	Contributions as a Percentage of Covered- Employee Payroll
12/31/18	\$ 770	\$ 770	\$ -	\$ 2,199,504	0.04%
12/31/19	744	744	-	2,298,779	0.03%
12/31/20	441	441	-	2,272,813	0.02%
12/31/21	456	456	-	2,351,180	0.02%
12/31/22	464	464	-	2,306,835	0.02%
12/31/23	414	414	-	2,631,534	0.02%
12/31/24	377	377	-	2,750,010	0.01%

See accompanying Notes to Required Supplementary Information.

**CITY OF MEDFORD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 1 WISCONSIN RETIREMENT SYSTEM

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%
- Lower the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement 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-end 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%
- Lower the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement 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

**CITY OF MEDFORD, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2024**

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS – LOCAL RETIREE LIFE INSURANCE FUND

Changes of Benefit Terms

There were no changes of benefit terms for any participating employer in LRLIF.

Changes of Assumptions

The State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the discount rate from 2.25% to 2.17%
- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

The City is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

SUPPLEMENTARY INFORMATION

**CITY OF MEDFORD, WISCONSIN
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Special Revenue						
	Room Tax	Landfill	Library	Community Development Authority	American Rescue Plan Act	Police Department	Fire Department Membership Fund
ASSETS							
Cash and Investments	\$ -	\$ 154,625	\$ 233,906	\$ 71,516	\$ -	\$ 52,113	\$ 90,245
Restricted Cash and Investments	-	-	-	75,933	-	-	-
Receivables:							
Taxes	14,195	-	-	-	-	-	-
Accounts	-	-	-	-	-	2,595	-
Delinquent Specials Held by County							
Loans	-	-	-	-	-	-	-
Interest	-	775	-	-	-	-	-
Total Assets	<u>\$ 14,195</u>	<u>\$ 155,400</u>	<u>\$ 233,906</u>	<u>\$ 147,449</u>	<u>\$ -</u>	<u>\$ 54,708</u>	<u>\$ 90,245</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	\$ 14,195	\$ -	\$ 15,428	\$ -	\$ -	\$ -	\$ 56
Due to Other Funds	-	-	-	-	-	-	-
Advances from Other Funds	-	-	-	-	-	-	-
Total Liabilities	<u>14,195</u>	<u>-</u>	<u>15,428</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>56</u>
DEFERRED INFLOWS OF RESOURCES							
Property Taxes Levied for Subsequent Year	-	-	-	-	-	-	-
Loans Receivable	-	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES							
Restricted	-	-	-	147,449	-	54,708	90,189
Committed	-	155,400	218,478	-	-	-	-
Unassigned	-	-	-	-	-	-	-
Total Fund Balances	<u>-</u>	<u>155,400</u>	<u>218,478</u>	<u>147,449</u>	<u>-</u>	<u>54,708</u>	<u>90,189</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,195</u>	<u>\$ 155,400</u>	<u>\$ 233,906</u>	<u>\$ 147,449</u>	<u>\$ -</u>	<u>\$ 54,708</u>	<u>\$ 90,245</u>

**CITY OF MEDFORD, WISCONSIN
COMBINING BALANCE SHEET (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024**

	Capital Projects					
	TID No. 5	TID No. 7	TID No. 10	TID No. 11	TID No. 13	Total
ASSETS						
Cash and Investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 602,405
Restricted Cash and Investments	-	-	-	-	-	75,933
Receivables:						
Taxes	-	21,617	36,976	-	235,132	307,920
Accounts	-	-	-	-	-	2,595
Delinquent Specials Held by County						
Loans	-	-	-	-	-	-
Interest	-	-	-	-	-	775
Total Assets	<u>\$ -</u>	<u>\$ 21,617</u>	<u>\$ 36,976</u>	<u>\$ -</u>	<u>\$ 235,132</u>	<u>\$ 989,628</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES						
LIABILITIES						
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,679
Due to Other Funds	-	-	-	-	-	-
Advances from Other Funds	-	106,907	206,060	-	211,307	524,274
Total Liabilities	<u>-</u>	<u>106,907</u>	<u>206,060</u>	<u>-</u>	<u>211,307</u>	<u>553,953</u>
DEFERRED INFLOWS OF RESOURCES						
Property Taxes Levied for Subsequent Year	-	29,797	50,968	-	324,106	404,871
Loans Receivable	-	-	-	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>29,797</u>	<u>50,968</u>	<u>-</u>	<u>324,106</u>	<u>404,871</u>
FUND BALANCES						
Restricted	-	-	-	-	-	292,346
Committed	-	-	-	-	-	373,878
Unassigned	-	(115,087)	(220,052)	-	(300,281)	(635,420)
Total Fund Balances	<u>-</u>	<u>(115,087)</u>	<u>(220,052)</u>	<u>-</u>	<u>(300,281)</u>	<u>30,804</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ -</u>	<u>\$ 21,617</u>	<u>\$ 36,976</u>	<u>\$ -</u>	<u>\$ 235,132</u>	<u>\$ 989,628</u>

CITY OF MEDFORD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Special Revenue							
	Room Tax	Landfill	Library	Community Development Authority	American Rescue Plan Act	Police Department	Fire Department Membership Fund	Affordable Housing
REVENUES								
Taxes	\$ 62,680	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	265,831	-	254,529	2,160	-	-
Public Charges for Services	-	-	10,120	-	-	41,804	-	-
Intergovernmental Charges for Services	-	-	-	-	-	-	3,090	-
Miscellaneous	-	3,950	56,288	803	-	2,337	38,652	-
Total Revenues	62,680	3,950	332,239	803	254,529	46,301	41,742	-
EXPENDITURES								
Current:								
Public Safety	-	-	-	-	-	40,957	30,177	-
Public Works	-	6,464	-	-	120,212	-	-	-
Culture and Recreation	-	-	495,379	-	65,117	-	-	-
Conservation and Development	62,680	-	-	-	-	-	-	-
Debt Service:								
Interest and Fiscal Charges	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	69,200	835	-	-
Total Expenditures	62,680	6,464	495,379	-	254,529	41,792	30,177	-
Excess of Revenues Over (Under) Expenditures	-	(2,514)	(163,140)	803	-	4,509	11,565	-
OTHER FINANCING SOURCES (USES)								
Transfers In	-	-	165,633	8,000	-	-	-	-
Transfers Out	-	-	-	-	-	-	-	-
Total Other Financing Sources (Uses)	-	-	165,633	8,000	-	-	-	-
NET CHANGE IN FUND BALANCES	-	(2,514)	2,493	8,803	-	4,509	11,565	-
Fund Balances - Beginning of Year as Originally Stated	-	157,914	215,985	138,646	-	50,199	78,624	207,204
Change within Financial Reporting Entity - Nonmajor to Major	-	-	-	-	-	-	-	(207,204)
Fund Balance - Beginning of Year	-	157,914	215,985	138,646	-	50,199	78,624	-
FUND BALANCES - END OF YEAR	<u>\$ -</u>	<u>\$ 155,400</u>	<u>\$ 218,478</u>	<u>\$ 147,449</u>	<u>\$ -</u>	<u>\$ 54,708</u>	<u>\$ 90,189</u>	<u>\$ -</u>

CITY OF MEDFORD, WISCONSIN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	Capital Projects					
	TID No. 5	TID No. 7	TID No. 10	TID No. 11	TID No. 13	Total
REVENUES						
Taxes	\$ 76,431	\$ 33,901	\$ 55,774	\$ 61,462	\$ 342,934	\$ 633,182
Intergovernmental	2,270	82	824	2,876	8,733	537,305
Public Charges for Services	-	-	-	-	-	51,924
Intergovernmental Charges for Services	-	-	-	-	-	3,090
Miscellaneous	-	-	-	-	-	102,030
Total Revenues	78,701	33,983	56,598	64,338	351,667	1,327,531
EXPENDITURES						
Current:						
Public Safety	-	-	-	-	-	71,134
Public Works	-	-	-	-	-	126,676
Culture and Recreation	-	-	-	-	-	560,496
Conservation and Development	81,658	1,050	1,049	28,889	1,051	176,377
Debt Service:						
Interest and Fiscal Charges	-	1,233	2,086	-	3,384	6,703
Capital Outlay	-	-	-	-	-	70,035
Total Expenditures	81,658	2,283	3,135	28,889	4,435	1,011,421
Excess of Revenues Over (Under) Expenditures	(2,957)	31,700	53,463	35,449	347,232	316,110
OTHER FINANCING SOURCES (USES)						
Transfers In	-	-	-	-	-	173,633
Transfers Out	(76,431)	-	-	(61,462)	(326,878)	(464,771)
Total Other Financing Sources (Uses)	(76,431)	-	-	(61,462)	(326,878)	(291,138)
NET CHANGE IN FUND BALANCES	(79,388)	31,700	53,463	(26,013)	20,354	24,972
Fund Balances - Beginning of Year as Originally Stated	79,388	(146,787)	(273,515)	26,013	(320,635)	213,036
Change within Financial Reporting Entity - Nonmajor to Major	-	-	-	-	-	(207,204)
Fund Balance - Beginning of Year	79,388	(146,787)	(273,515)	26,013	(320,635)	5,832
FUND BALANCES - END OF YEAR	\$ -	\$ (115,087)	\$ (220,052)	\$ -	\$ (300,281)	\$ 30,804

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



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

City Council
City of Medford, Wisconsin

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Medford, Wisconsin, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City of Medford, Wisconsin's basic financial statements, and have issued our report thereon dated June 5, 2025.

Report on Internal Control Over Financial Reporting

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

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses and significant deficiencies.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

We consider the deficiencies described in the accompanying schedule of findings and responses as items 2024-001 and 2024-002 to be material weaknesses.

A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance. We consider the deficiency described in the accompanying schedule of findings and responses as item 2024-003 to be a significant deficiency.

Report on Compliance and Other Matters

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

City of Medford, Wisconsin's Response to Findings

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

Purpose of This Report

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



CliftonLarsonAllen LLP

Wausau, Wisconsin
June 5, 2025

**CITY OF MEDFORD, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES
YEAR ENDED DECEMBER 31, 2024**

Section I – Internal Control Over Financial Reporting

2024-001: Lack of Segregation of Duties

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: The City has a limited number of employees to essentially complete all financial and recordkeeping duties of the City. Accordingly, this does not allow for a proper segregation of duties for internal control purposes.

Criteria or Specific Requirement: Segregation of duties is an internal control intended to prevent or decrease the occurrence of errors or intentional fraud. Segregation of duties ensures that no single employee has control over all phases of a transaction.

Effect: Errors or intentional fraud could occur and not be detected timely by other employees in the normal course of their responsibilities as a result of the lack of segregation of duties.

Cause: The lack of segregation of duties is due to the limited number of employees and the size of the City operations.

Repeat Finding: Repeat of Finding 2023-001

Recommendation: We recommend the City Council continue to monitor the transactions and the financial records of the City.

Views of Responsible Officials and Planned Corrective Action: The City understands that some key controls are not separated between employees, but at this time the City does not warrant additional staff to be hired. The City Council will continue to monitor the internal control environment, transactions and financial records to mitigate the lack of segregation of duties issue and continue to work with the audit firm to better understand the risks.

**CITY OF MEDFORD, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section I – Internal Control Over Financial Reporting (Continued)

2024-002: Adjustments to the City's Financial Records

Type of Finding: Material Weakness in Internal Control Over Financial Reporting

Condition: As part of our audit, we proposed adjusting journal entries, that were material to the City's financial statements.

Criteria or Specific Requirement: Material adjusting journal entries proposed by the auditors are considered to be an internal control deficiency.

Effect: Year-end financial records prepared by the City may contain material misstatements.

Cause: While City staff maintains financial records which accurately report revenues and expenditures throughout the year, preparing year-end adjusting and closing entries requires additional expertise that would entail additional training and staff time to develop.

Repeat Finding: Repeat of Finding 2023-002

Recommendation: We recommend the City designate an individual to obtain additional training in order to prepare the adjusting and closing entries. We are available to assist the individual in obtaining the understanding to prepare these entries.

Views of Responsible Officials and Planned Corrective Action: The City's treasurer reviews and approves all journal entries prepared by the auditors.

**CITY OF MEDFORD, WISCONSIN
SCHEDULE OF FINDINGS AND RESPONSES (CONTINUED)
YEAR ENDED DECEMBER 31, 2024**

Section I – Internal Control Over Financial Reporting (Continued)

2024-003: Preparation of Annual Financial Report

Type of Finding: Significant Deficiency in Internal Control Over Financial Reporting

Condition: Current City staff maintains accounting records which reflect the City's financial transactions; however, preparing the City's annual financial report, including note disclosures, involves the selection and application of specific accounting principles which would require additional experience and knowledge. The City contracts with us and relies on our knowledge of applicable accounting principles, financial statement format, and note disclosures to assist in the preparation of the annual financial report in an efficient manner. However, as independent auditors, CLA cannot be considered part of the City's internal control system. As part of its internal control over preparation of its financial statements, including disclosures, the City has implemented a comprehensive review procedure to ensure that the financial statements, including note disclosures, are complete and accurate.

Criteria or Specific Requirement: The preparation and review of the annual financial report by staff with expertise in financial reporting is an internal control intended to prevent, detect and correct a potential omission or misstatement in the financial statements or notes.

Cause: City management has determined that the additional costs associated with training staff to become experienced in applicable accounting principles and note disclosures outweigh the derived benefits.

Effect: Without our involvement, the City may not be able to completely prepare an annual financial report in accordance with accounting principles generally accepted in the United States of America.

Repeat Finding: Repeat of Finding 2023-003

Recommendation: We recommend the City continue reviewing the annual financial report. While it may not be cost beneficial to train additional staff to completely prepare the report, a thorough review of this information by appropriate staff of the City is necessary to obtain a complete and adequate understanding of the City's annual financial report.

Views of Responsible Officials and Planned Corrective Action: Management believes the cost for additional staff time and training to prepare year-end closing entries and reports outweigh the benefits to be received. Management has reviewed and approved the annual financial report prior to issuance.



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