

# VILLAGE OF RIDGEWAY

THE VILLAGE OF



**RIDGEWAY**

Audit Presentation  
for the Village Board

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For the Year Ended  
December 31, 2023

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Presented by  
Shawn Roelli, CPA

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JOHNSON BLOCK  
CPAs

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

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# VILLAGE OF RIDGEWAY

## Audit Overview

- We have completed our audit of the Village of Ridgeway for the year ended December 31, 2023 and have issued our independent auditor's reports. Our reports and the audited financial statements are presented in a bound document.
- We issued an unmodified opinion on the financial statements.
- A separate audit communications document designed for the Village Board has also been submitted.
- We prepared the following regulatory reports for 2023:
  - Water utility PSC annual report
  - Municipal financial report - Form C
  - TIF District #1 annual report

# VILLAGE OF RIDGEWAY

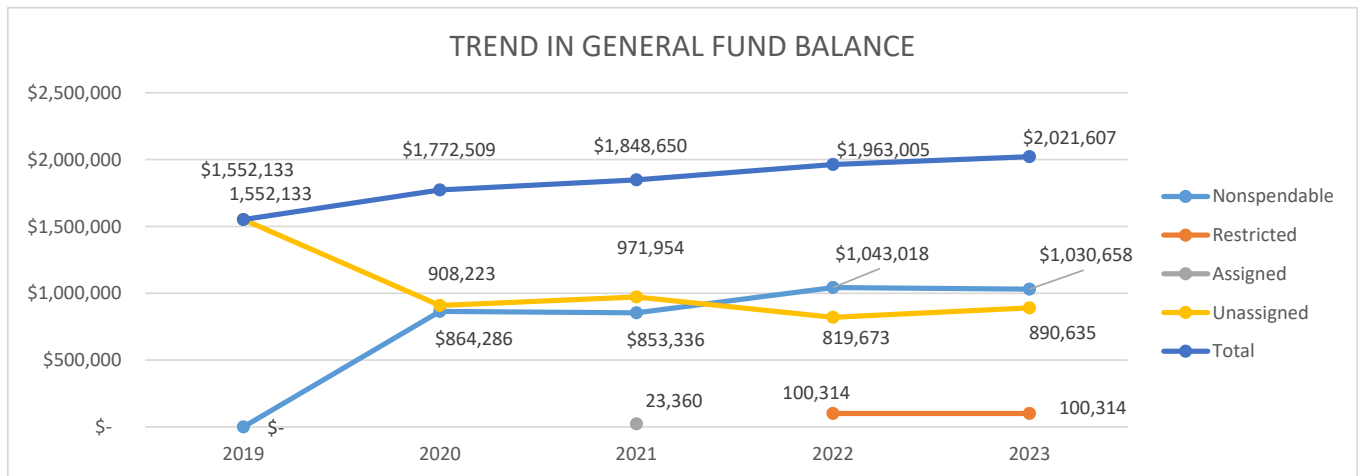
## 2023 FINANCIAL HIGHLIGHTS

- Governmental funds of the Village reported an increase in overall fund balance of \$172,909.
  - General fund increased \$58,602
  - TIF district #1 increased \$121,116
  - Debt service fund increased \$18,810
  - Community Center fund increased \$5,606
  - Other governmental funds decreased \$31,225
  - The Village capital project fund was created in 2020
  - The CDBG, local fiscal recovery fund, community center fund, and debt service fund were added in 2021. The activity was either new or had been reflected in the general fund.
  
- The General fund, on an overall basis, reported favorable variances as compared to budget.
  
- The Water utility reported an increase in net position of \$3,330, and the Sewer utility showed a decrease in net position of \$132,824 in 2023.
  - Water rates were last increased July 29, 2024 after the full rate case effective June 27, 2022.
  - Sewer user rates are charged per Village ordinance

# VILLAGE OF RIDGEWAY

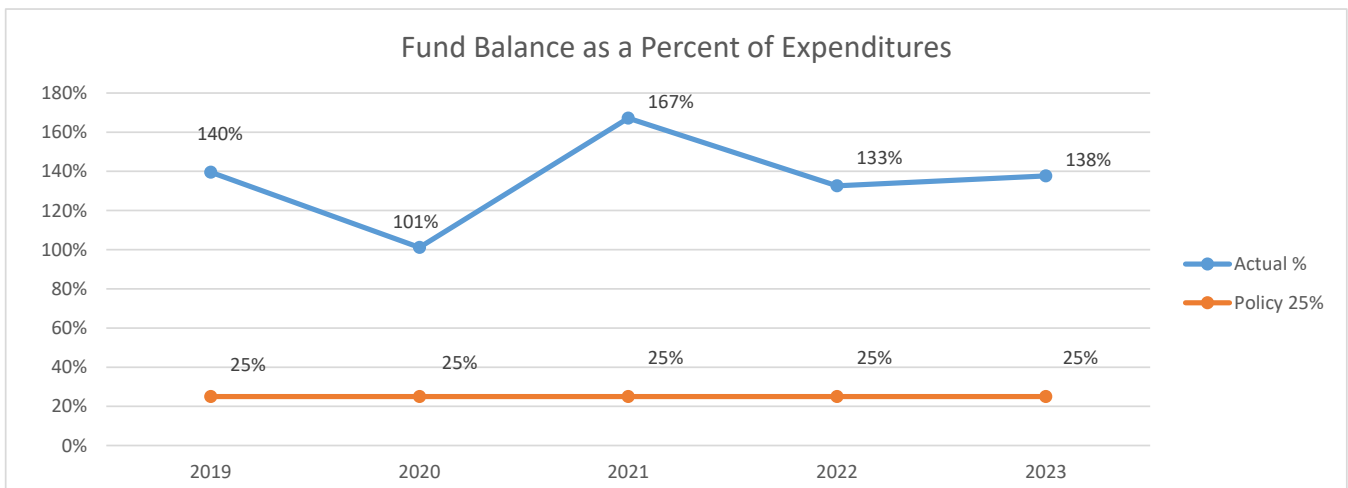
## TREND IN GENERAL FUND BALANCE

	2019	2020	2021	2022	2023
Nonspendable	\$ -	\$ 864,286	\$ 853,336	\$ 1,043,018	\$ 1,030,658
Restricted				100,314	100,314
Assigned			23,360		
Unassigned	1,552,133	908,223	971,954	819,673	890,635
<b>Total</b>	<b>\$ 1,552,133</b>	<b>\$ 1,772,509</b>	<b>\$ 1,848,650</b>	<b>\$ 1,963,005</b>	<b>\$ 2,021,607</b>



The Village's fund balance policy is to maintain unassigned fund balance of 25-35% of expenditures.

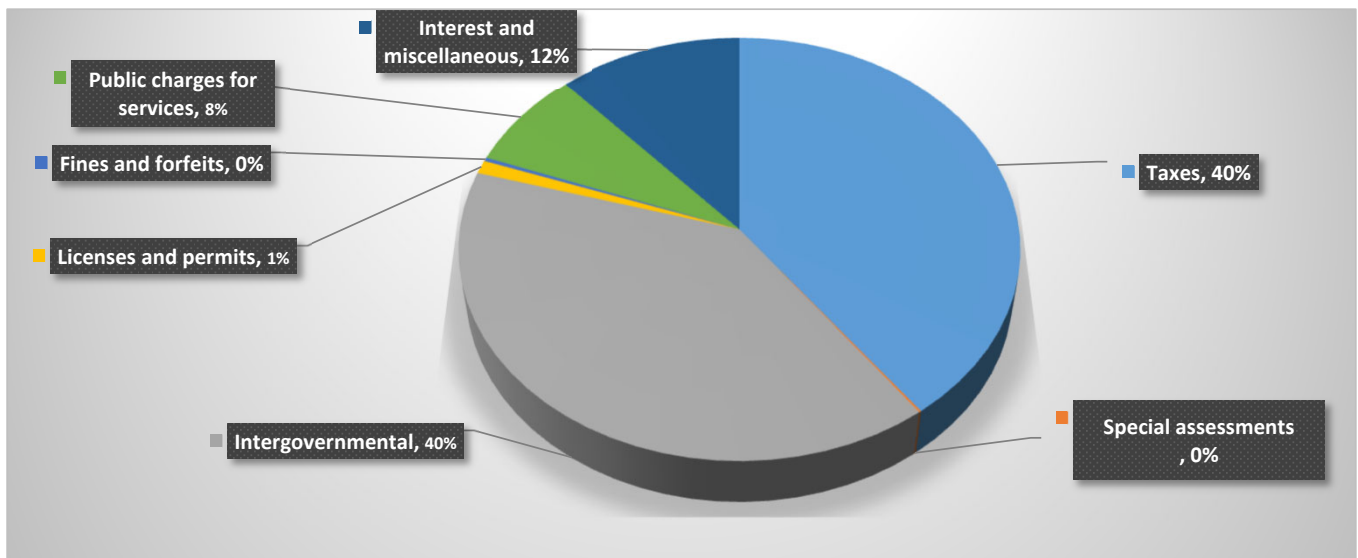
	2019	2020	2021	2022	2023
Unassigned fund balance	\$ 1,552,133	\$ 908,223	\$ 971,954	\$ 819,673	\$ 890,635
Expenditures	1,112,131	898,131	581,570	617,997	646,947
Actual %	140%	101%	167%	133%	138%
Policy 25%	25%	25%	25%	25%	25%



# VILLAGE OF RIDGEWAY

## GENERAL FUND REVENUES

	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023</b>	<b>%</b>
Taxes	\$ 298,449	50%	\$ 254,788	37%	\$ 261,967	40%
Special assessments	3,010	1%	2,847	0%	741	0%
Intergovernmental	196,498	33%	193,025	28%	260,635	40%
Licenses and permits	10,246	2%	136,631	20%	6,645	1%
Fines and forfeits	1,643	0%	26,838	4%	1,848	0%
Public charges for services	47,583	8%	47,732	7%	50,149	8%
Interest and miscellaneous	43,577	7%	31,316	5%	76,691	12%
<b>Total revenues</b>	<b>\$ 601,006</b>	<b>100%</b>	<b>\$ 693,177</b>	<b>100%</b>	<b>\$ 658,676</b>	<b>100%</b>



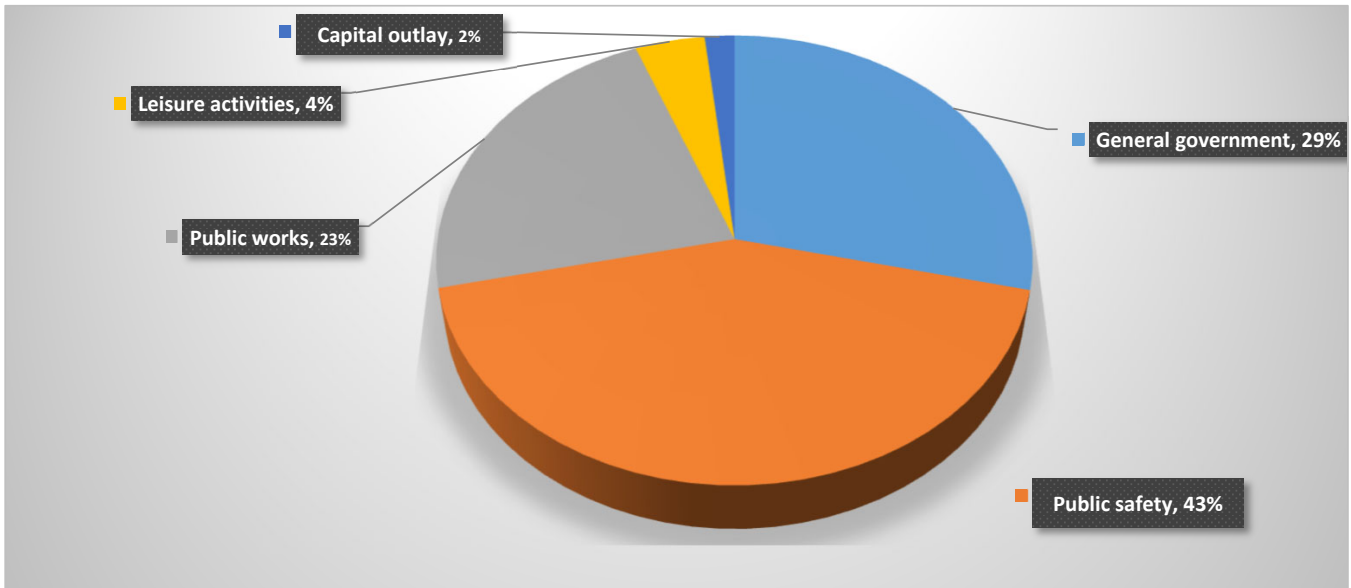
### OBSERVATIONS AND COMMENTS:

- General fund tax revenues have decreased 12.2% from 2021 to 2023
- Intergovernmental revenues have increased 32.6% from 2021 to 2023
- Shared revenues, transportation aid, and the fire district pension reimbursement increased.

# VILLAGE OF RIDGEWAY

## GENERAL FUND EXPENDITURES

	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023</b>	<b>%</b>
General government	\$ 161,679	28%	\$ 214,121	35%	\$ 184,983	29%
Public safety	208,476	36%	235,917	38%	277,945	43%
Public works	139,140	24%	141,894	23%	145,768	23%
Leisure activities	25,631	4%	26,065	4%	26,801	4%
Capital outlay	28,930	5%		0%	11,450	2%
Debt Service	17,714	3%		0%		0%
<b>Total expenditures</b>	<b>\$ 581,570</b>	<b>100%</b>	<b>\$ 617,997</b>	<b>100%</b>	<b>\$ 646,947</b>	<b>100%</b>



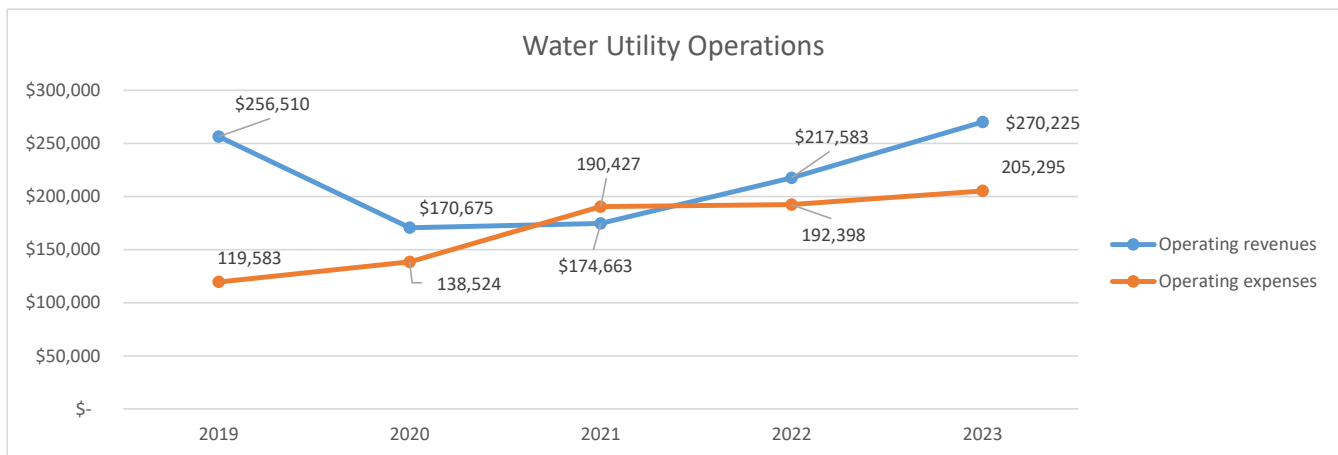
### OBSERVATIONS AND COMMENTS:

- Public safety increased \$69,469 from 2021 to 2023.
- Fire district pension, ambulance contract, and police wages and fringes increased.

# VILLAGE OF RIDGEWAY

## WATER UTILITY

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating revenues	\$ 256,510	\$ 170,675	\$ 174,663	\$ 217,583	\$ 270,225
Operating expenses	119,583	138,524	190,427	192,398	205,295
Net operating income (loss)	<u>\$ 136,927</u>	<u>\$ 32,151</u>	<u>\$ (15,764)</u>	<u>\$ 25,185</u>	<u>\$ 64,930</u>
Cashflow from operations	\$ 104,061	\$ 55,161	\$ (270,642)	\$ 148,750	\$ 163,283
PSC rate of return	0.01%	-0.60%	-3.77%	-0.50%	1.99%



## Days of cash on hand

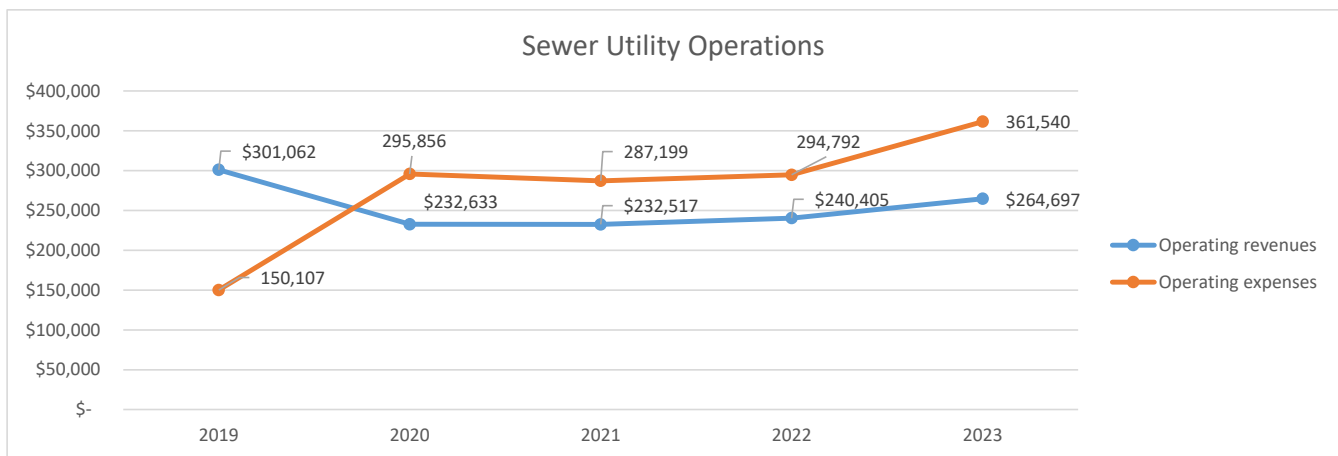
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Unrestricted cash	\$ 70,383	\$ 540,319	\$ 33,322	\$ 7,207	\$ -
Oper exp plus tax equivalent*	\$ 159,000	\$ 184,516	\$ 236,578	\$ 235,946	\$ 246,560
Days cash on hand	162	1,069	51	11	-

\*Excludes principal and interest payments, which can be paid with restricted assets.

# VILLAGE OF RIDGEWAY

## SEWER UTILITY

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating revenues	\$ 301,062	\$ 232,633	\$ 232,517	\$ 240,405	\$ 264,697
Operating expenses	150,107	295,856	287,199	294,792	361,540
Net operating income (loss)	<u>\$ 150,955</u>	<u>\$ (63,223)</u>	<u>\$ (54,682)</u>	<u>\$ (54,387)</u>	<u>\$ (96,843)</u>
Cashflow from operations	\$ 242,690	\$ 91,603	\$ 116,089	\$ 116,124	\$ 75,444



### Days of cash on hand

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Unrestricted cash	\$ 257,046	\$ 194,872	\$ 212,170	\$ 234,876	\$ 205,674
Operating expenses*	\$ 150,107	\$ 295,856	\$ 287,199	\$ 294,792	\$ 361,540
Days cash on hand	625	240	270	291	208

\*Excludes principal and interest payments, which can be paid with restricted assets.



# VILLAGE OF RIDGEWAY

## CHANGES IN LONG-TERM OBLIGATIONS

- The following table is a summary of long-term obligations for the year ended December 31, 2023:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<b><u>Governmental activities</u></b>					
Direct borrowings and placements:					
General obligation notes	\$ 667,150	\$ 29,572	\$ (134,393)	\$ 562,329	\$ 182,223
Revenue bonds	454,993		(21,310)	433,683	21,700
Total governmental activities long-term liabilities	<u>\$ 1,122,143</u>	<u>\$ 29,572</u>	<u>\$ (155,703)</u>	<u>\$ 996,012</u>	<u>\$ 203,923</u>
<b><u>Business-type activities</u></b>					
Direct borrowings and placements:					
General obligation notes	\$ 444,382	\$	\$ (49,257)	\$ 395,125	\$ 51,433
Revenue bonds	633,650		(28,672)	604,978	29,219
Revenue bonds - nondirect	1,878,000		(34,300)	1,843,700	35,100
Total business-type activities long-term liabilities	<u>\$ 2,956,032</u>	<u>\$</u>	<u>\$ (112,229)</u>	<u>\$ 2,843,803</u>	<u>\$ 115,752</u>

## OBSERVATIONS AND COMMENTS:

- General obligation debt limitation totaled \$3,194,460 and debt subject to limitation totaled \$957,454. The Village had 70% of its debt capacity remaining at December 31, 2023.
- General obligation notes have interest rates between 2.60% and 2.95% with the exception of the November 2023 loan maturing in 2024, which has a rate of 4.97%.
- Utility revenue bonds have interest rates between 1.65% and 2.38%

# VILLAGE OF RIDGEWAY

## TAX INCREMENTAL DISTRICTS

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

- The following is the cumulative status of the TIF District as of December 31, 2023:

	<u>TID #1</u>
Project revenues	
Tax increment	\$ 404,051
Intergovernmental	2,161
Lot sales	739,116
Other	104,191
Total revenues	<u>1,249,519</u>
Project costs	
Construction	1,972,987
Administration	13,359
Professional services and DOR fees	18,037
Interest and other fiscal charges	192,565
Total expenditures	<u>2,196,948</u>
Amount to be recovered through future increments	<u><u>\$ 947,429</u></u>
Reconciliation of recoverable costs	
Long-term notes payable	\$ 265,200
TID #1 fund balance - deficit	682,229
Total	<u><u>\$ 947,429</u></u>

### OBSERVATIONS AND COMMENTS:

- The fund balance increased \$121,116 in 2023.
- TID 1 incremental value and tax increment

	Incremental Value		Tax Increment Revenue
2020	\$ 2,765,800	2021	\$ 77,478
2021	\$ 4,473,500	2022	\$ 120,903
2022	\$ 6,682,200	2023	\$ 154,916
2023	\$ 10,037,200	2024	\$ 209,959
2024	\$ 11,211,000	2025	to be determined

# VILLAGE OF RIDGEWAY

## Other Matters

- Required audit communications document.
  - This is written to the Village Board and contains required communications and other considerations.
    - Risks of material misstatement, sensitive estimates and disclosures
    - Internal control communications
    - Other considerations
  
- We want to extend thanks to Lori, Shyanne, and all Village personnel for their help during the audit.
  
- We received full and complete cooperation from everyone.