

# VILLAGE OF RIDGEWAY

THE VILLAGE OF



**RIDGEWAY**

Audit Presentation  
for the Village Board

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For the Year Ended  
December 31, 2025

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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, 2025 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 2025:
  - Water utility PSC annual report
  - Municipal financial report - Form C

# VILLAGE OF RIDGEWAY

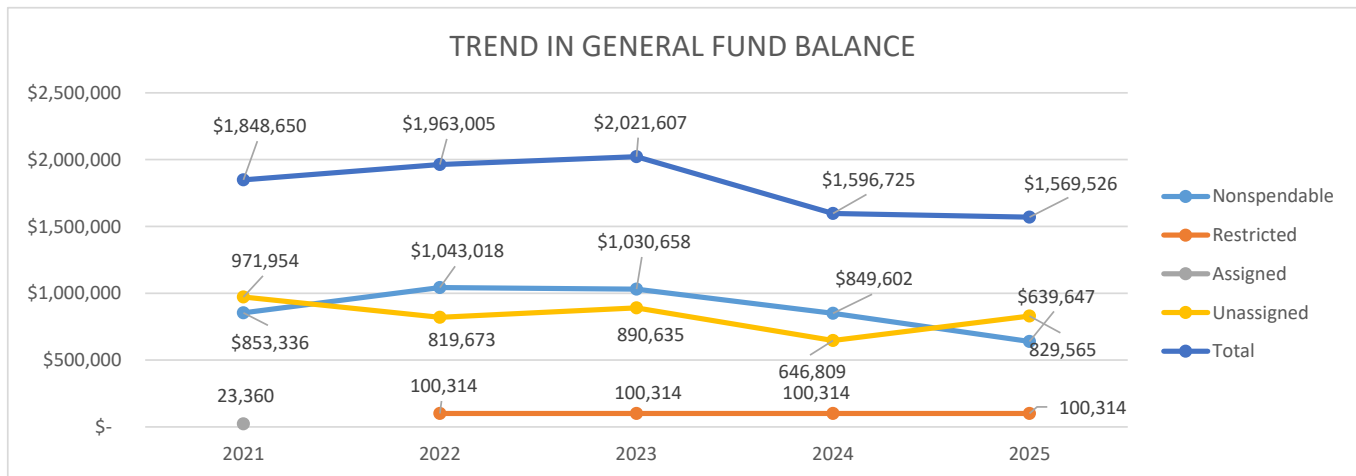
## 2025 FINANCIAL HIGHLIGHTS

- Governmental funds of the Village reported an increase in overall fund balance of \$57,134.
  - General fund decreased \$27,199
  - TIF district #1 increased \$95,069
  - Capital projects fund decreased \$58,011.
  - Debt service fund increased \$1,187. This was previously a nonmajor fund.
  - Other governmental funds increased \$46,088
  - 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 Water utility reported an increase in net position of \$27,500, and the Sewer utility showed a decrease in net position of \$149,671 in 2025.
  - Water and sewer rates were increased 3% effective 7/29/2025.
  - Sewer user rates are charged per Village ordinance

# VILLAGE OF RIDGEWAY

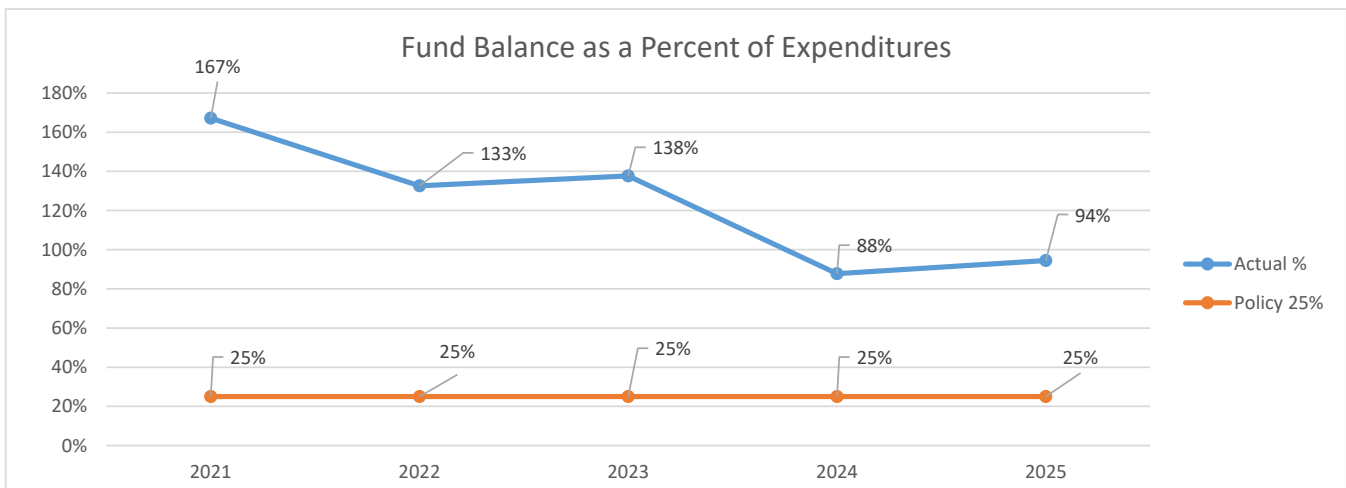
## TREND IN GENERAL FUND BALANCE

	2021	2022	2023	2024	2025
Nonspendable	\$ 853,336	\$ 1,043,018	\$ 1,030,658	\$ 849,602	\$ 639,647
Restricted		100,314	100,314	100,314	100,314
Assigned	23,360				
Unassigned	971,954	819,673	890,635	646,809	829,565
<b>Total</b>	<b>\$ 1,848,650</b>	<b>\$ 1,963,005</b>	<b>\$ 2,021,607</b>	<b>\$ 1,596,725</b>	<b>\$ 1,569,526</b>



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

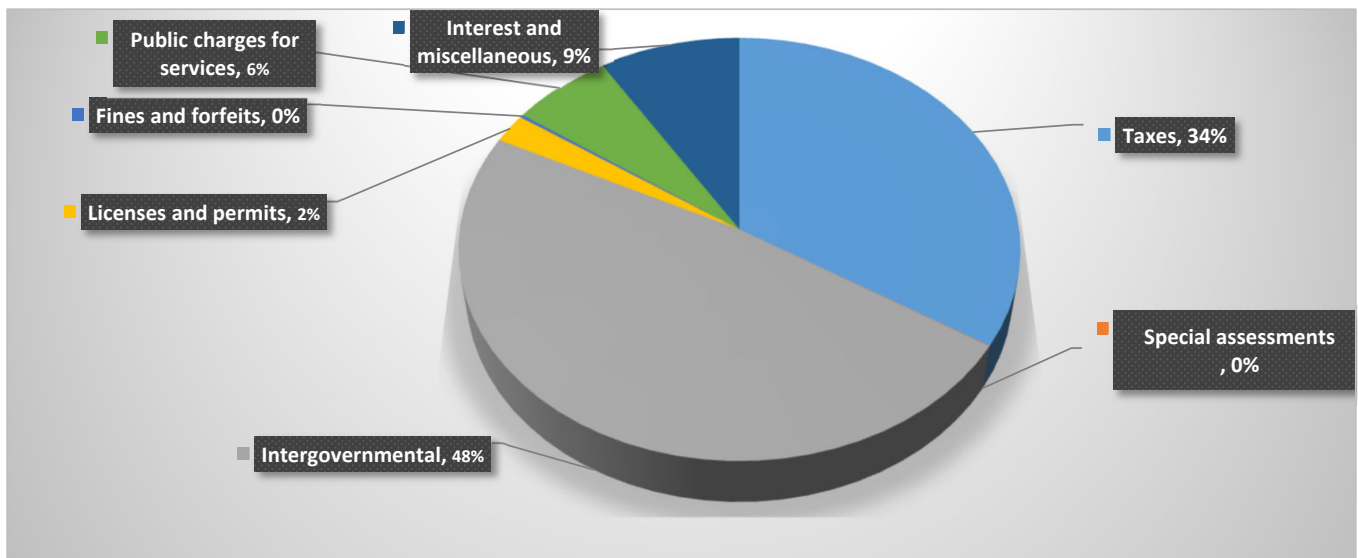
	2021	2022	2023	2024	2025
Unassigned fund balance	\$ 971,954	\$ 819,673	\$ 890,635	\$ 646,809	\$ 829,565
Expenditures	581,570	617,997	646,947	737,202	878,430
Actual %	167%	133%	138%	88%	94%
Policy 25%	25%	25%	25%	25%	25%



# VILLAGE OF RIDGEWAY

## GENERAL FUND REVENUES

	<b>2023</b>	<b>%</b>	<b>2024</b>	<b>%</b>	<b>2025</b>	<b>%</b>
Taxes	\$ 261,967	40%	\$ 247,720	37%	\$ 275,876	34%
Special assessments	741	0%	1,291	0%	341	0%
Intergovernmental	260,635	40%	272,830	41%	394,646	48%
Licenses and permits	6,645	1%	7,474	1%	17,964	2%
Fines and forfeits	1,848	0%	2,457	0%	1,812	0%
Public charges for services	50,149	8%	50,671	8%	51,639	6%
Interest and miscellaneous	76,691	12%	82,629	12%	72,642	9%
<b>Total revenues</b>	<b>\$ 658,676</b>	<b>100%</b>	<b>\$ 665,072</b>	<b>100%</b>	<b>\$ 814,920</b>	<b>100%</b>



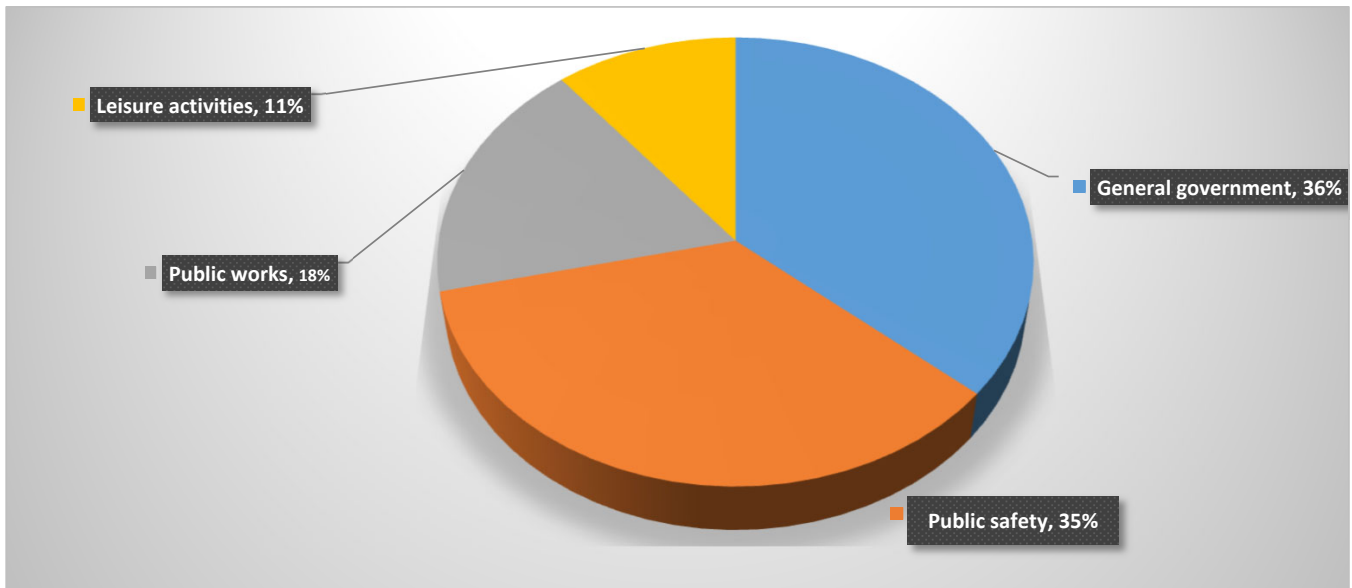
### OBSERVATIONS AND COMMENTS:

- General fund tax revenues have increased 5.3% from 2023 to 2025.
- Intergovernmental revenues have increased 51.4% from 2023 to 2025.
- Shared revenues, transportation aid, and the fire district pension reimbursement increased.

# VILLAGE OF RIDGEWAY

## GENERAL FUND EXPENDITURES

	<b>2023</b>	<b>%</b>	<b>2024</b>	<b>%</b>	<b>2025</b>	<b>%</b>
General government	\$ 184,983	29%	\$ 232,641	32%	\$ 317,779	36%
Public safety	277,945	43%	314,690	43%	309,571	35%
Public works	145,768	23%	141,116	19%	155,818	18%
Leisure activities	26,801	4%	30,681	4%	95,262	11%
Capital outlay	11,450	2%	18,074	2%		0%
<b>Total expenditures</b>	<b>\$ 646,947</b>	<b>100%</b>	<b>\$ 737,202</b>	<b>100%</b>	<b>\$ 878,430</b>	<b>100%</b>



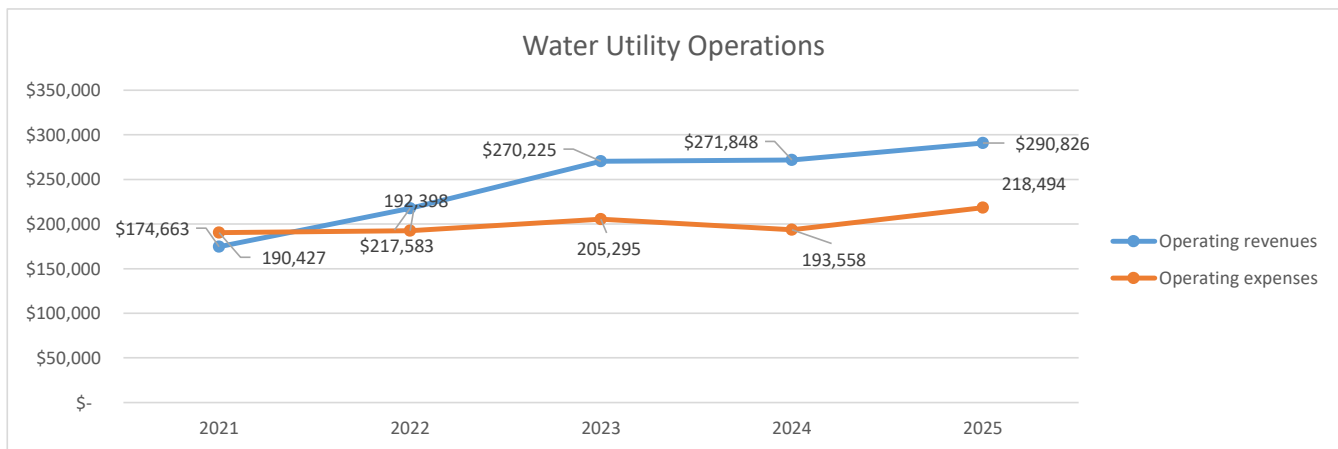
### OBSERVATIONS AND COMMENTS:

-General government increased \$132,796 from 2023 to 2025.

# VILLAGE OF RIDGEWAY

## WATER UTILITY

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Operating revenues	\$ 174,663	\$ 217,583	\$ 270,225	\$ 271,848	\$ 290,826
Operating expenses	190,427	192,398	205,295	193,558	218,494
Net operating income (loss)	\$ (15,764)	\$ 25,185	\$ 64,930	\$ 78,290	\$ 72,332
Cashflow from operations	\$ (270,642)	\$ 148,750	\$ 163,283	\$ 186,131	\$ 211,895
PSC rate of return	-3.77%	-0.50%	1.99%	3.14%	2.68%



## Days of cash on hand

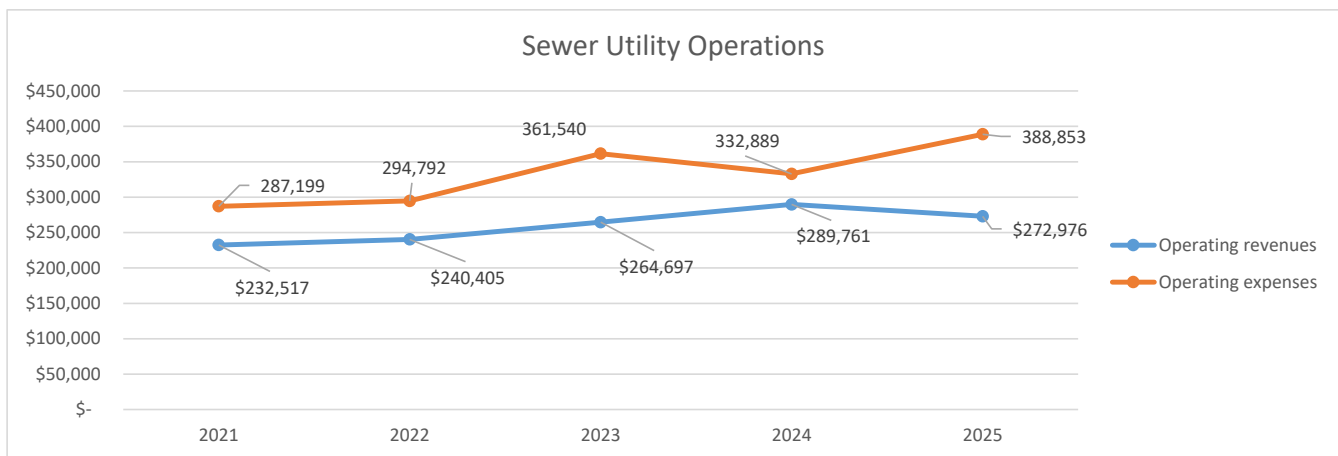
	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Unrestricted cash	\$ 33,322	\$ 7,207	\$	\$ 56,849	\$ 105,894
Oper exp plus tax equivalent*	\$ 236,578	\$ 235,946	\$ 246,560	\$ 229,869	\$ 254,301
Days cash on hand	51	11		90	152

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

# VILLAGE OF RIDGEWAY

## SEWER UTILITY

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Operating revenues	\$ 232,517	\$ 240,405	\$ 264,697	\$ 289,761	\$ 272,976
Operating expenses	287,199	294,792	361,540	332,889	388,853
Net operating income (loss)	<u>\$ (54,682)</u>	<u>\$ (54,387)</u>	<u>\$ (96,843)</u>	<u>\$ (43,128)</u>	<u>\$ (115,877)</u>
Cashflow from operations	\$ 116,089	\$ 116,124	\$ 75,444	\$ 129,789	\$ 60,300



### Days of cash on hand

	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>
Unrestricted cash	\$ 212,170	\$ 234,876	\$ 205,674	\$ 235,723	\$ 191,362
Operating expenses*	\$ 287,199	\$ 294,792	\$ 361,540	\$ 332,889	\$ 388,853
Days cash on hand	270	291	208	258	180

\*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, 2025:

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

## OBSERVATIONS AND COMMENTS:

- General obligation debt limitation totaled \$3,969,365 and debt subject to limitation totaled \$920,868. The Village had 77% of its debt capacity remaining at December 31, 2025.
- General obligation notes have interest rates between 2.60% and 3.75%.
- 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, 2025:

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

## OBSERVATIONS AND COMMENTS:

- The fund balance increased \$95,069 in 2025.
- TID 1 incremental value and tax increment

	Incremental Value		Tax Increment Revenue
2022	\$ 6,682,200	2023	\$ 154,916
2023	\$ 10,037,200	2024	\$ 209,959
2024	\$ 11,211,000	2025	207,146
2025	\$ 14,488,700	2026	257,943
2026 to be determined		2027 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.
    - Internal control communications
    - Other considerations
  
- We want to extend thanks to Lori, Marj, and all Village personnel for their help during the audit.
  
- We received full and complete cooperation from everyone.