



May 23, 2022

Village of Ridgeway
Attn: Hailey Roessler
208 Jarvis Street, Suite A
Ridgeway, WI 53582-0128

RE: 2021-YEAR-END FINANCIAL REPORT

Dear Ms. Roessler:

Rural Development has analyzed your financial statements for the period of January 1 through December 31, 2021, prepared by Johnson Block & Company, Inc. Our reviews were made in accordance with current Rural Development instructions. Based on the reviews we find the reports acceptable with the following comments:

- The financial statements revealed the sewer utilities had adequate revenue to meet operating expenses, service debts and your operating margins appear adequate. Please continue to monitor user rates to ensure their sufficiency to cover all costs of operating the utility.
- As part of USDA debt covenants of the sewer system revenue bonds issued in May of 2019 the Village agreed to comply with certain conditions. The Village agreed to establish and fund a debt service reserve account equal to 10% of the semi-annual payment every six months until one annual installment has been accumulated for each revenue bond. In reviewing the Village's financial statements, the accounts appear to be on schedule and in compliance with their required balances.
- The audit revealed that as of December 31, 2021, \$1,867,359 of the Village's deposits with financial institutions were uninsured and uncollateralized. We advise working with a financial consultant to alleviate this risk.
- Please include with your reply to this letter:
 - Supply a statement verifying the Village has a current Vulnerability Assessment and Emergency Response Plan in place with your response to this letter. We **do not need a copy** of either document, just the statement the District has current plans.

If you have any questions, please contact Scott Hanz at (715) 701-2676 or via email at scott.hanz@usda.gov

Sincerely,

**SCOTT
HANZ**
Scott Hanz
Servicing Specialist

Digitally signed by
SCOTT HANZ
Date: 2022.05.23
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cc: Dodgeville Area Office