

VILLAGE OF RIDGEWAY

Audit Presentation
for the Village Board



For the Year Ended
December 31, 2024

Presented by
Shawn Roelli, CPA



JOHNSON BLOCK
CPAs

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

VILLAGE OF RIDGEWAY

Audit Overview

- We have completed our audit of the Village of Ridgeway for the year ended December 31, 2024 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 2024:
 - Water utility PSC annual report
 - Municipal financial report - Form C
 - Wisconsin Economic Development Corporation examination of the schedule of expenditures

VILLAGE OF RIDGEWAY

2024 FINANCIAL HIGHLIGHTS

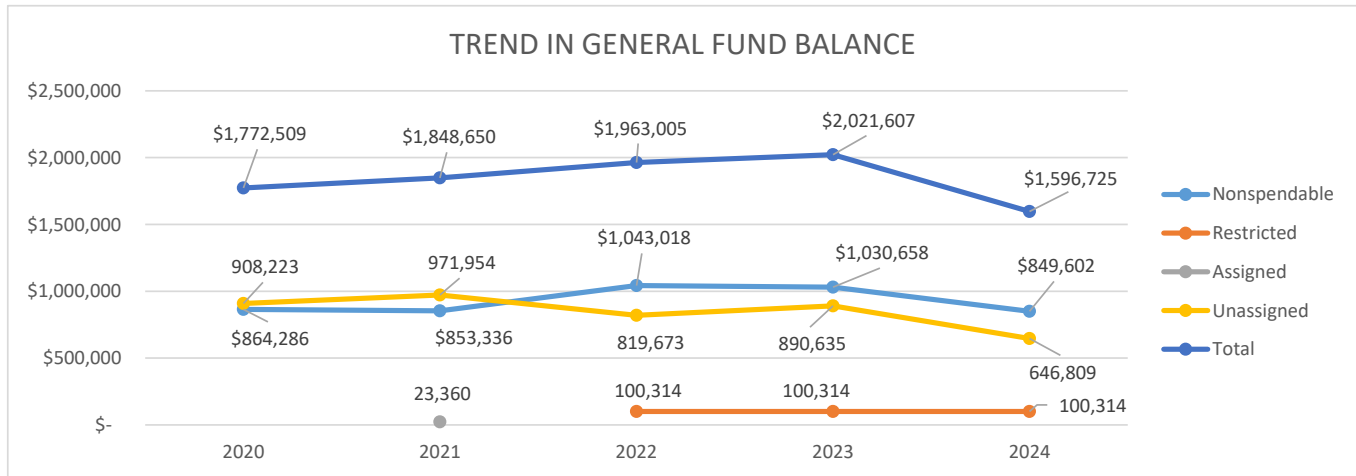
- Governmental funds of the Village reported an increase in overall fund balance of \$55,775.
 - General fund decreased \$424,882
 - TIF district #1 increased \$86,315
 - Capital projects fund increased \$225,001. This was previously a nonmajor fund.
 - Other governmental funds increased \$169,341
 - 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 \$24,404, and the Sewer utility showed a decrease in net position of \$77,984 in 2024.
 - Water and sewer rates were increased 4.1% effective 7/29/2024.
 - Sewer user rates are charged per Village ordinance

VILLAGE OF RIDGEWAY

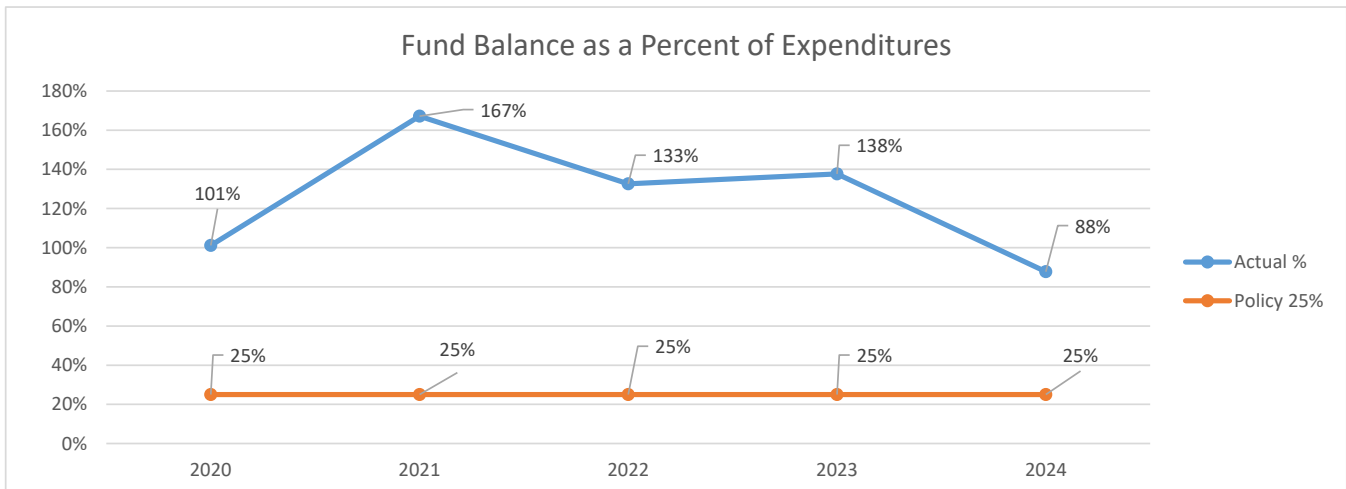
TREND IN GENERAL FUND BALANCE

	2020	2021	2022	2023	2024
Nonspendable	\$ 864,286	\$ 853,336	\$ 1,043,018	\$ 1,030,658	\$ 849,602
Restricted			100,314	100,314	100,314
Assigned		23,360			
Unassigned	908,223	971,954	819,673	890,635	646,809
Total	\$ 1,772,509	\$ 1,848,650	\$ 1,963,005	\$ 2,021,607	\$ 1,596,725



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

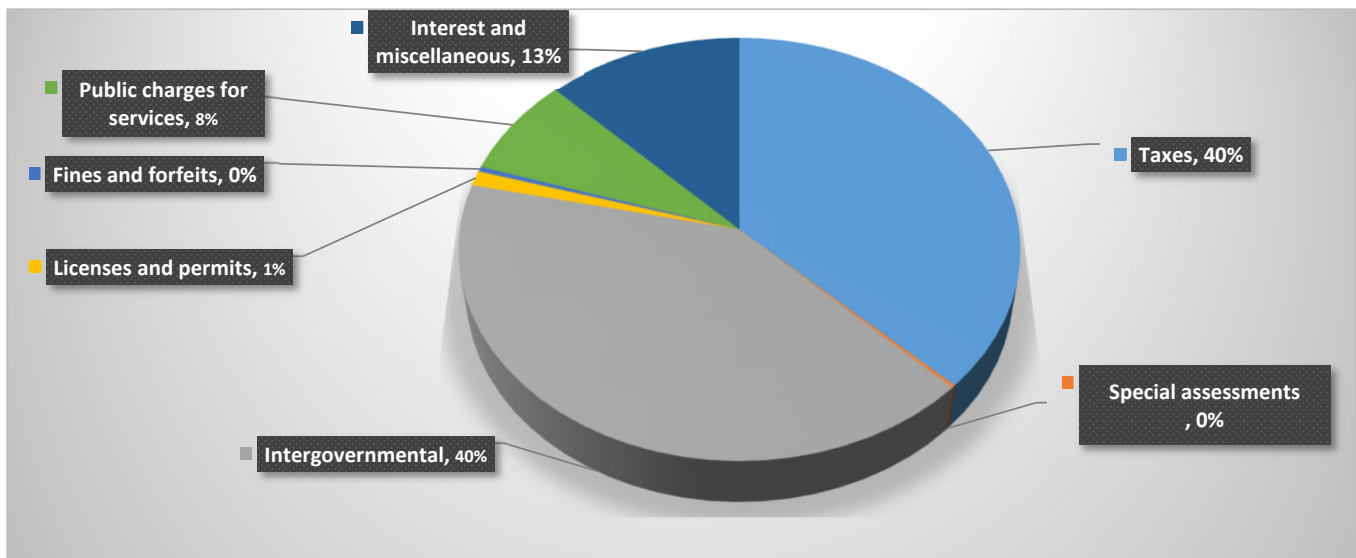
	2020	2021	2022	2023	2024
Unassigned fund balance	\$ 908,223	\$ 971,954	\$ 819,673	\$ 890,635	\$ 646,809
Expenditures	898,131	581,570	617,997	646,947	737,202
Actual %	101%	167%	133%	138%	88%
Policy 25%	25%	25%	25%	25%	25%



VILLAGE OF RIDGEWAY

GENERAL FUND REVENUES

	2022	%	2023	%	2024	%
Taxes	\$ 254,788	37%	\$ 261,967	40%	\$ 247,720	37%
Special assessments	2,847	0%	741	0%	1,291	0%
Intergovernmental	193,025	28%	260,635	40%	272,830	41%
Licenses and permits	136,631	20%	6,645	1%	7,474	1%
Fines and forfeits	26,838	4%	1,848	0%	2,457	0%
Public charges for services	47,732	7%	50,149	8%	50,671	8%
Interest and miscellaneous	31,316	5%	76,691	12%	82,629	12%
Total revenues	<u>\$ 693,177</u>	100%	<u>\$ 658,676</u>	100%	<u>\$ 665,072</u>	100%



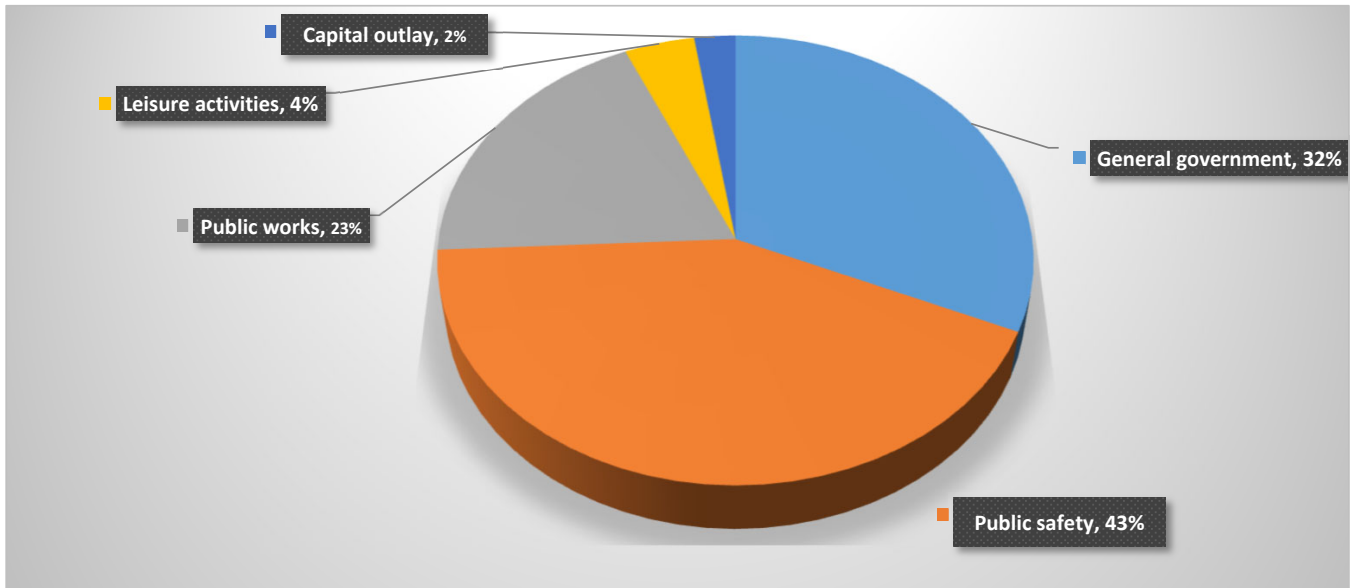
OBSERVATIONS AND COMMENTS:

- General fund tax revenues have decreased 2.8% from 2022 to 2024
- Intergovernmental revenues have increased 41.3% from 2022 to 2024
- Shared revenues, transportation aid, and the fire district pension reimbursement increased.

VILLAGE OF RIDGEWAY

GENERAL FUND EXPENDITURES

	2022	%	2023	%	2024	%
General government	\$ 214,121	35%	\$ 184,983	29%	\$ 232,641	32%
Public safety	235,917	38%	277,945	43%	314,690	43%
Public works	141,894	23%	145,768	23%	141,116	19%
Leisure activities	26,065	4%	26,801	4%	30,681	4%
Capital outlay		0%	11,450	2%	18,074	2%
Debt Service		0%		0%		0%
Total expenditures	<u>\$ 617,997</u>	100%	<u>\$ 646,947</u>	100%	<u>\$ 737,202</u>	100%



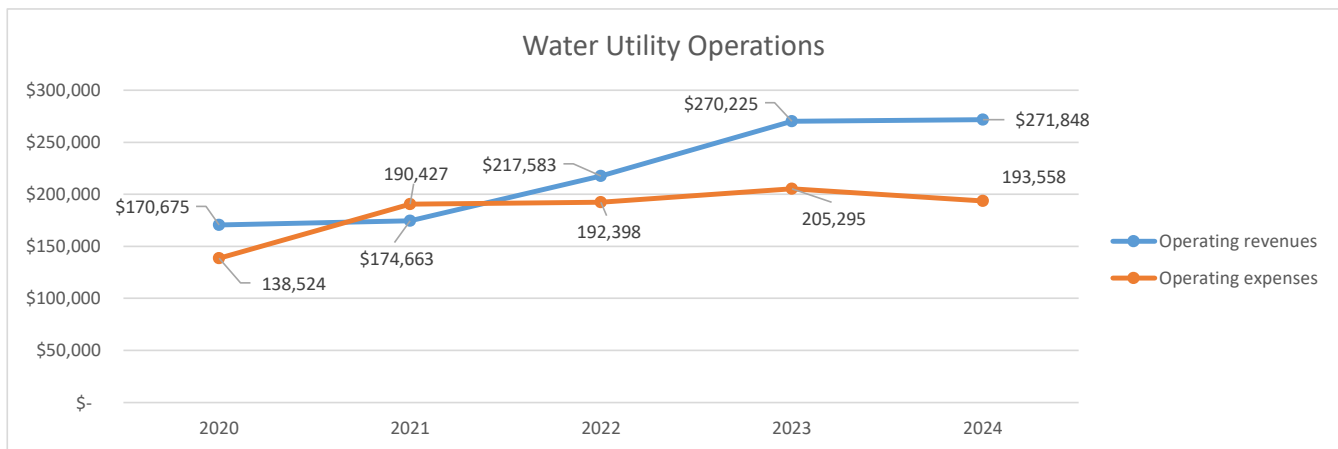
OBSERVATIONS AND COMMENTS:

- Public safety increased \$78,773 from 2022 to 2024.
Fire district pension, ambulance contract, and police wages and fringes increased.

VILLAGE OF RIDGEWAY

WATER UTILITY

	2020	2021	2022	2023	2024
Operating revenues	\$ 170,675	\$ 174,663	\$ 217,583	\$ 270,225	\$ 271,848
Operating expenses	138,524	190,427	192,398	205,295	193,558
Net operating income (loss)	\$ 32,151	\$ (15,764)	\$ 25,185	\$ 64,930	\$ 78,290
Cashflow from operations	\$ 55,161	\$ (270,642)	\$ 148,750	\$ 163,283	\$ 186,131
PSC rate of return	-0.60%	-3.77%	-0.50%	1.99%	3.14%



Days of cash on hand

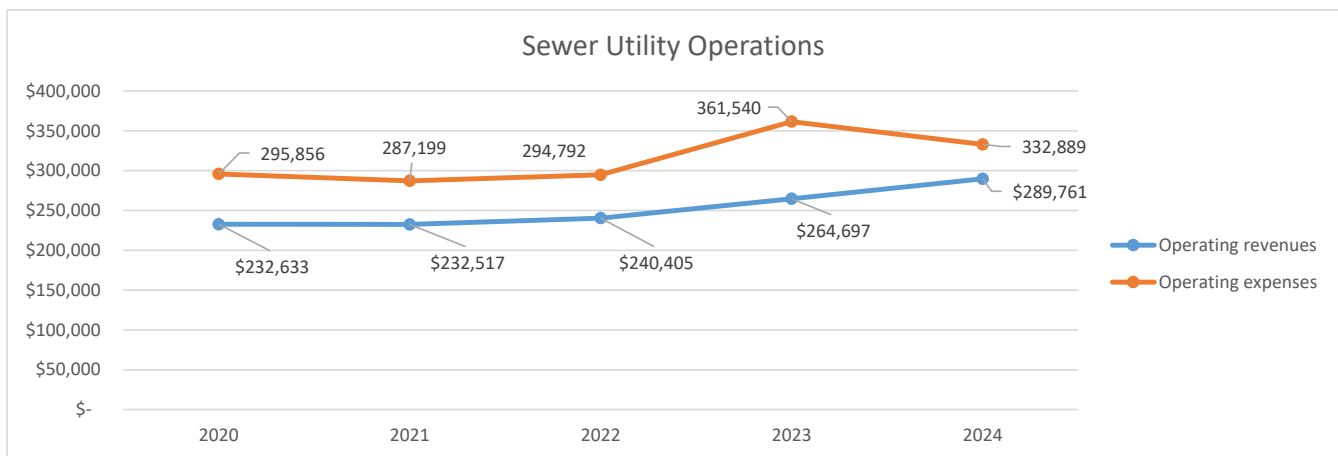
	2020	2021	2022	2023	2024
Unrestricted cash	\$ 540,319	\$ 33,322	\$ 7,207	\$ -	\$ 56,849
Oper exp plus tax equivalent*	\$ 184,516	\$ 236,578	\$ 235,946	\$ 246,560	\$ 229,869
Days cash on hand	1,069	51	11	-	90

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

VILLAGE OF RIDGEWAY

SEWER UTILITY

	2020	2021	2022	2023	2024
Operating revenues	\$ 232,633	\$ 232,517	\$ 240,405	\$ 264,697	\$ 289,761
Operating expenses	295,856	287,199	294,792	361,540	332,889
Net operating income (loss)	<u>\$ (63,223)</u>	<u>\$ (54,682)</u>	<u>\$ (54,387)</u>	<u>\$ (96,843)</u>	<u>\$ (43,128)</u>
Cashflow from operations	\$ 91,603	\$ 116,089	\$ 116,124	\$ 75,444	\$ 129,789



Days of cash on hand

	2020	2021	2022	2023	2024
Unrestricted cash	\$ 194,872	\$ 212,170	\$ 234,876	\$ 205,674	\$ 235,723
Operating expenses*	\$ 295,856	\$ 287,199	\$ 294,792	\$ 361,540	\$ 332,889
Days cash on hand	240	270	291	208	258

*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, 2024:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due within One Year
<u>Governmental activities</u>					
Direct borrowings and placements:					
General obligation notes	\$ 562,329	\$ 254,568	\$ (187,971)	\$ 628,926	\$ 215,423
Revenue bonds	433,683		(21,700)	411,983	22,097
Total governmental activities long-term liabilities	<u>\$ 996,012</u>	<u>\$ 254,568</u>	<u>\$ (209,671)</u>	<u>\$ 1,040,909</u>	<u>\$ 237,520</u>
<u>Business-type activities</u>					
Direct borrowings and placements:					
General obligation notes	\$ 395,125	\$	\$ (52,079)	\$ 343,046	\$ 53,016
Revenue bonds	604,978		(29,221)	575,757	29,775
Revenue bonds - nondirect	1,843,700		(35,100)	1,808,600	35,800
Total business-type activities long-term liabilities	<u>\$ 2,843,803</u>	<u>\$</u>	<u>\$ (116,400)</u>	<u>\$ 2,727,403</u>	<u>\$ 118,591</u>

OBSERVATIONS AND COMMENTS:

- General obligation debt limitation totaled \$3,577,510 and debt subject to limitation totaled \$971,972. The Village had 73% of its debt capacity remaining at December 31, 2024.
- 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

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

- The following is the cumulative status of the TIF District as of December 31, 2024:

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

OBSERVATIONS AND COMMENTS:

- The fund balance increased \$86,315 in 2024.
- TID 1 incremental value and tax increment

	Incremental Value		Tax Increment Revenue
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	207,146
2025 to be determined		2026 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.