

# VILLAGE OF SPRING GREEN

## Audit Presentation To the Village Board

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For the Year Ended  
December 31, 2023

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October 23, 2024

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JOHNSON BLOCK  
CPAs

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

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# VILLAGE OF SPRING GREEN

## Audit Overview

- We have completed our audit of the Village of Spring Green 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.
- Management has reviewed and accepted the financial statements and adjusting journal entries.
- A separate audit communications document designed for the Village Board has also been submitted and should be read in conjunction with the audited financial statements.
- We prepared the following regulatory reports for 2023:
  - Form C annual report filed with the Wisconsin Department of Revenue
  - PSC annual financial report filed with the Public Service Commission
  - TID annual report filed with the Wisconsin Department of Revenue

# VILLAGE OF SPRING GREEN

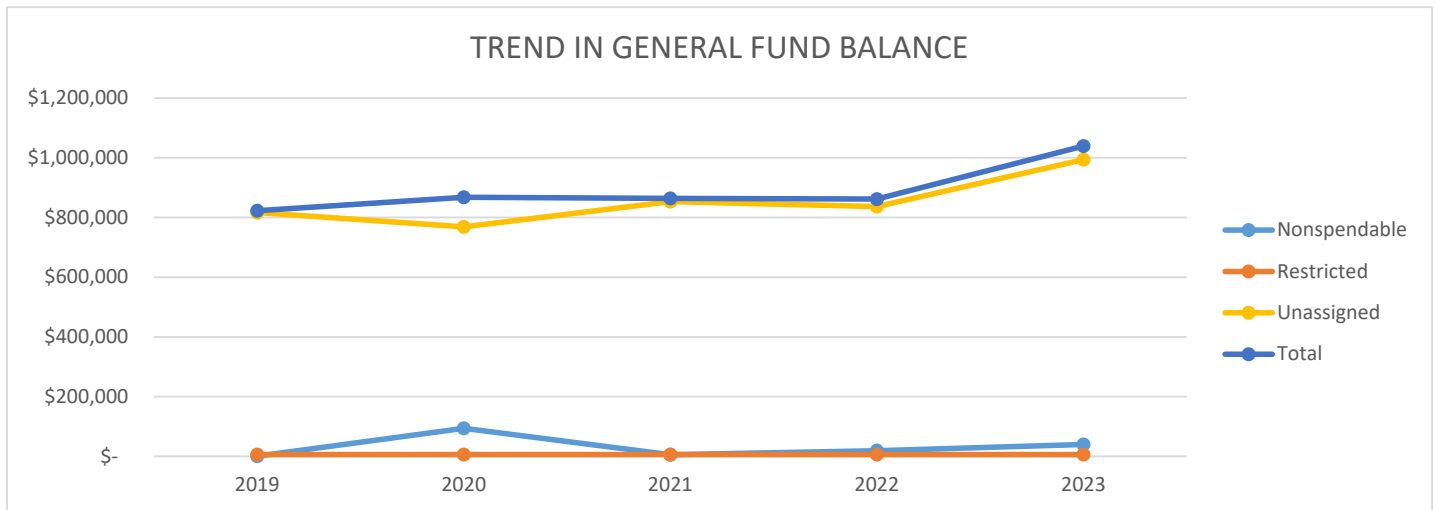
## 2023 FINANCIAL HIGHLIGHTS

- Governmental funds of the Village reported a decrease in overall fund balance of \$656,765
  - General Fund increased \$177,770
  - Capital Improvements Fund decreased \$997,171 due mainly to the 2023 street projects
  - Lamb Fund increased \$156,242 due to an unrealized gain on investments
  - Other governmental funds increased \$6,394
- The Water Utility reported an increase in net position of \$225,112, and the Sewer Utility showed an increase in net position of \$80,148 in 2023.

# VILLAGE OF SPRING GREEN

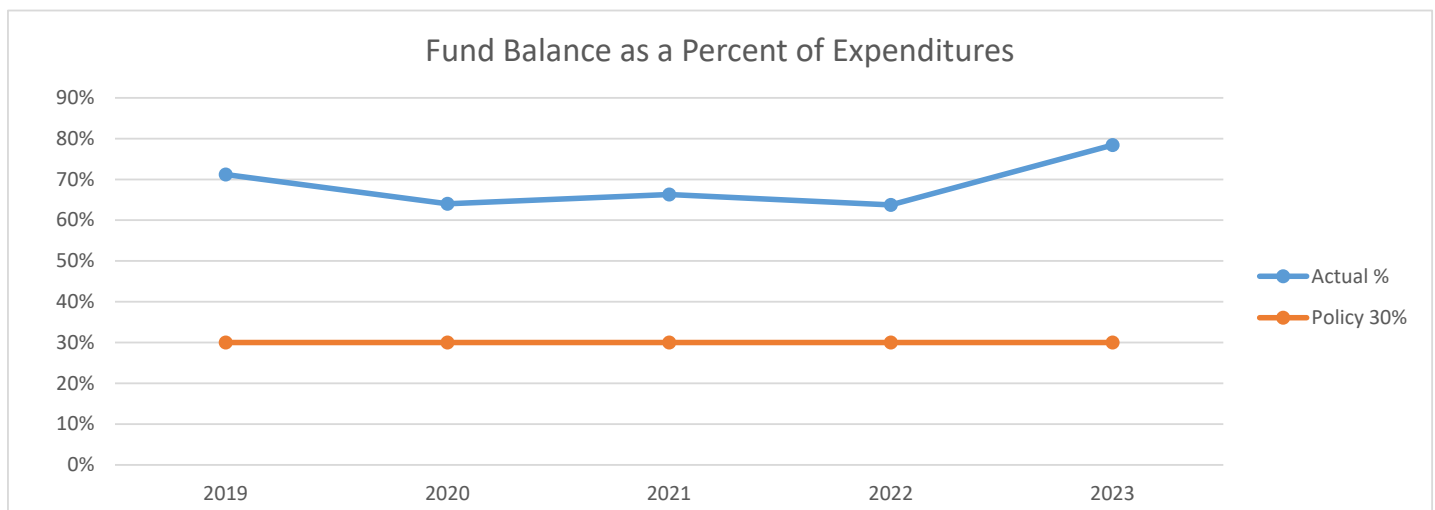
## TREND IN GENERAL FUND BALANCE

	2019	2020	2021	2022	2023
Nonspendable	\$ 338	\$ 93,538	\$ 5,170	\$ 19,045	\$ 39,620
Restricted	5,748	5,748	5,748	5,748	5,748
Unassigned	816,561	768,562	853,165	836,788	993,983
<b>Total</b>	<b>\$ 822,647</b>	<b>\$ 867,848</b>	<b>\$ 864,083</b>	<b>\$ 861,581</b>	<b>\$ 1,039,351</b>



The Village's fund balance policy is for unassigned fund balance to be at least 30% of expenditures.

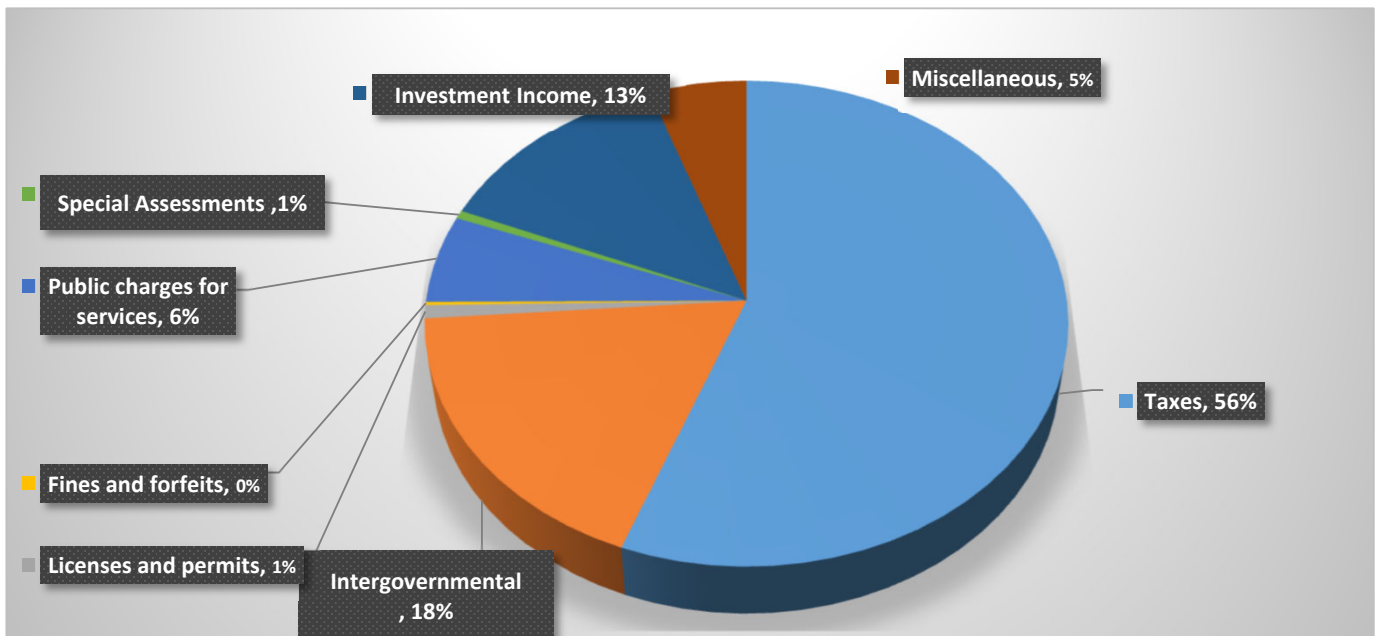
	2019	2020	2021	2022	2023
Available fund balance	\$ 816,561	\$ 768,562	\$ 853,165	\$ 836,788	\$ 993,983
Expenditures	1,146,484	1,200,640	1,286,960	1,312,482	1,267,656
Actual %	71%	64%	66%	64%	78%
Policy 30%	30%	30%	30%	30%	30%



# VILLAGE OF SPRING GREEN

## GOVERNMENTAL FUND REVENUES

	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023</b>	<b>%</b>
Taxes	\$ 1,407,162	58%	\$ 1,512,672	63%	\$ 1,452,829	56%
Intergovernmental	444,614	18%	438,687	18%	470,094	18%
Licenses and permits	33,253	1%	44,420	2%	22,744	1%
Fines and forfeits	6,272	0%	3,717	0%	5,440	0%
Public charges for services	141,686	6%	149,361	6%	152,017	6%
Special Assessments	106,138	4%	19,176	1%	14,355	1%
Investment income	164,574	7%	59,638	2%	347,237	13%
Miscellaneous	140,970	6%	189,472	8%	139,623	5%
Total revenues	<u>\$ 2,444,669</u>	100%	<u>\$ 2,417,143</u>	100%	<u>\$ 2,604,339</u>	100%



### OBSERVATIONS AND COMMENTS:

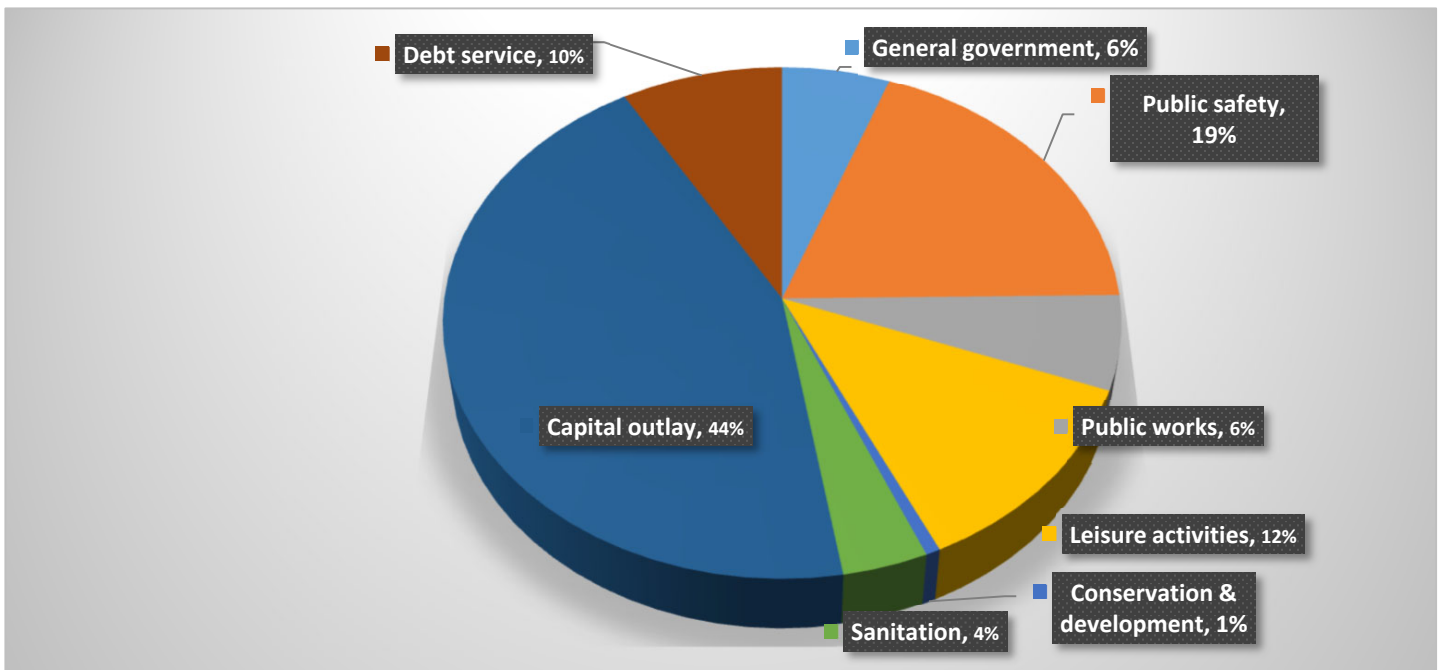
-Taxes revenue was 56% of the total revenues in 2023 and 63% in 2022.

-Investment income increased due to an unrealized gain in 2023, while 2022 reported an unrealized loss on investments.

# VILLAGE OF SPRING GREEN

## GOVERNMENTAL EXPENDITURES

	<b>2021</b>	<b>%</b>	<b>2022</b>	<b>%</b>	<b>2023</b>	<b>%</b>
General government	\$ 181,884	9%	\$ 185,867	8%	\$ 187,860	6%
Public safety	648,543	33%	682,018	30%	636,356	19%
Public works	209,680	11%	205,759	9%	197,690	6%
Leisure activities	395,661	20%	358,780	16%	407,749	12%
Conservation & development	30,251	2%	45,651	2%	21,151	1%
Sanitation	116,399	6%	118,941	5%	124,608	4%
Capital outlay	164,223	8%	473,195	21%	1,469,773	44%
Debt service	222,032	11%	218,706	10%	280,506	8%
<b>Total expenditures</b>	<b>\$ 1,968,673</b>	<b>100%</b>	<b>\$ 2,288,917</b>	<b>100%</b>	<b>\$ 3,325,693</b>	<b>100%</b>



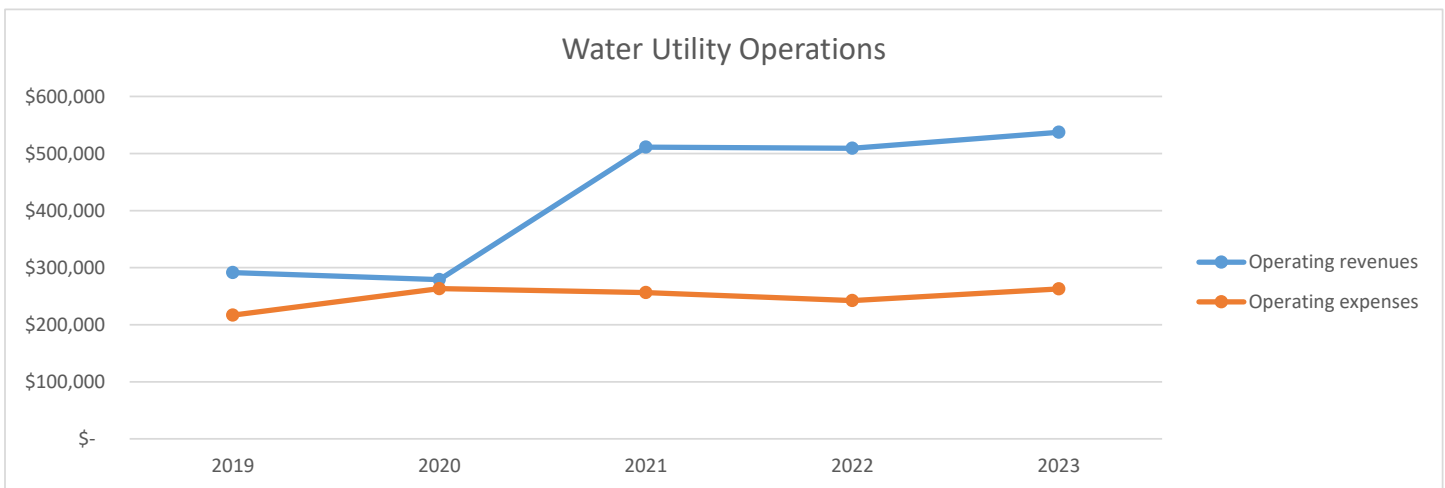
### OBSERVATIONS AND COMMENTS:

- Capital Outlay increased significantly in 2023 due mainly to the 2023 street project.

# VILLAGE OF SPRING GREEN

## WATER UTILITY

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating revenues	\$ 291,370	\$ 279,019	\$ 511,235	\$ 509,412	\$ 537,206
Operating expenses	216,871	263,222	256,283	242,253	262,708
Net operating income (loss)	\$ 74,499	\$ 15,797	\$ 254,952	\$ 267,159	\$ 274,498
Cashflow from operations	\$ 143,776	\$ 132,090	\$ 307,402	\$ 385,772	\$ 419,637



## Days of cash on hand

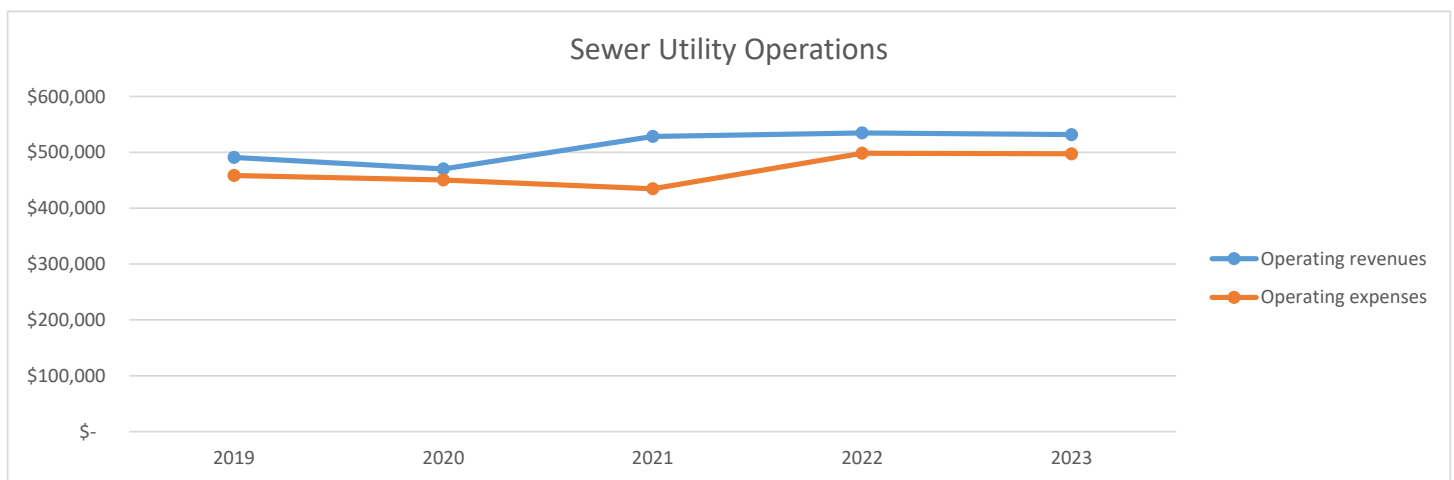
	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Unrestricted cash	\$ 1,049,056	\$ 578,235	\$ 812,538	\$ 1,101,235	\$ 1,087,354
Oper exp plus tax equivalent*	\$ 277,990	\$ 328,676	\$ 327,333	\$ 305,207	\$ 322,109
Days cash on hand	1,377	642	906	1,317	1,232

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

# VILLAGE OF SPRING GREEN

## SEWER UTILITY

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Operating revenues	\$ 490,772	\$ 470,301	\$ 528,459	\$ 534,733	\$ 531,696
Operating expenses	458,603	450,505	434,848	498,414	497,300
Net operating income (loss)	<u>\$ 32,169</u>	<u>\$ 19,796</u>	<u>\$ 93,611</u>	<u>\$ 36,319</u>	<u>\$ 34,396</u>
Cashflow from operations	\$ 164,684	\$ 231,156	\$ 264,745	\$ 266,187	\$ 274,180



## Days of cash on hand

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Unrestricted cash	\$ 2,142,990	\$ 1,600,939	\$ 1,584,825	\$ 1,662,417	\$ 1,594,815
Operating expenses*	\$ 458,603	\$ 450,505	\$ 434,848	\$ 498,414	\$ 497,300
Days cash on hand	1,706	1,297	1,330	1,217	1,171

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



# VILLAGE OF SPRING GREEN

## 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
<u>Governmental Activities</u>					
General obligation bonds	\$ 4,945,000	\$	\$ (145,000)	\$ 4,800,000	\$ 260,000
Unamortized premium	182,993		(11,035)	171,958	
Other liabilities:					
Compensated absences	59,857	29,110	(25,082)	63,885	26,694
Total governmental activities long-term liabilities	<u>\$ 5,187,850</u>	<u>\$ 29,110</u>	<u>\$ (181,117)</u>	<u>\$ 5,035,843</u>	<u>\$ 286,694</u>
<u>Business-type Activities</u>					
General obligation bonds	\$ 1,240,000	\$	\$ (60,000)	\$ 1,180,000	\$ 60,000
Total business-type activities long-term liabilities	<u>\$ 1,240,000</u>	<u>\$</u>	<u>\$ (60,000)</u>	<u>\$ 1,180,000</u>	<u>\$ 60,000</u>

## OBSERVATIONS AND COMMENTS:

- General obligation debt limitation totaled \$12,543,640. Total general obligation debt outstanding at year-end was \$5,980,000.

# VILLAGE OF SPRING GREEN

## TAX INCREMENTAL DISTRICTS

	Creation Date	Last Date to Incur Project Cost	Final Dissolution Date
District #6	4/12/17	4/12/33	4/12/38

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

### Revenues:

Tax increment	\$ 691,339
Intergovernmental	343,961
Debt premium	131,181
Interest	5,177
Total revenues	<u>1,171,658</u>

### Expenditures:

Construction	3,598,519
Administrative	3,703
Professional services	81,179
Interest and fiscal charges	379,489
Debt issuance costs	69,640
Total expenditures	<u>4,132,530</u>

Amount to be recovered through future increments	<u>\$ 2,960,872</u>
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Cash	\$ (114,128)
Long-term debt outstanding	3,075,000
Amount to be recovered through future increments	<u>\$ 2,960,872</u>

# VILLAGE OF SPRING GREEN

## SUMMARY

- Overall, the Village has a healthy fund balance. The Village has approximately \$6.5 million of borrowing capacity when comparing existing outstanding debt to the WI State Statute limits.
- General fund balance is being maintained at a consistent level. Village operations remained relatively constant, outside of the scheduled 2023 street project that decreased fund balance in the capital projects fund.
- Water Utility rate of return for 2023 was 9.89%.
- Audit Communication Document: Material Weaknesses on Pages 4 & 5:
  - Limited Segregation of Duties - The size of the office staff precludes a proper segregation of functions to assure adequate internal control. Management should be aware of this risk and monitor matters relating to the Village's operations.
  - Material Adjustments - Material adjusting entries not prepared by the Village prior to the audit or not otherwise provided by the Village are considered an internal control weakness.
- Audit Communication Document: Management letter comments on Page 9:
  - Journal Entry Review - Journal entries are not currently being reviewed and approved. We recommend that these entries, along with any supporting documentation be reviewed and approved by another individual prior to being recorded.
  - Capitalization Policy - The Village uses a capitalization threshold of \$2,000 for machinery and equipment and \$2,500 for vehicles. We recommend increasing these thresholds to \$10,000 to align with federal guidance.
  - Library Cash and Investment - Activity in library cash and investment accounts are not recorded on the general ledger. We recommend this activity be recorded on an annual basis at a minimum. Also, the Village's investment policy notes the Village will not invest in securities maturing more than three years from the date of purchase. The library has certificates of deposit with maturity dates greater than three years. We recommend developing procedures to invest funds according to their policy or amending the investment policy.
  - GASB #101 - New compensated absences standard effective for 2023.
- Thanks to the Village staff for their help during the audit. We received full and complete cooperation from Village personnel.