

Summary Financial Information

We have the following additional comments and observations about financial and administrative matters that came to our attention during our audit of the Village's basic financial statements for the year ended December 31, 2020, the basic purpose of which is to assist management in the decision making process.

GOVERNMENTAL FUND BALANCES

Presented below is a summary of the Village's governmental fund balances on December 31, 2020 and 2019. This information is provided for assessing financial results for 2020 and for indicating financial resources available at the start of the 2021 budget year.

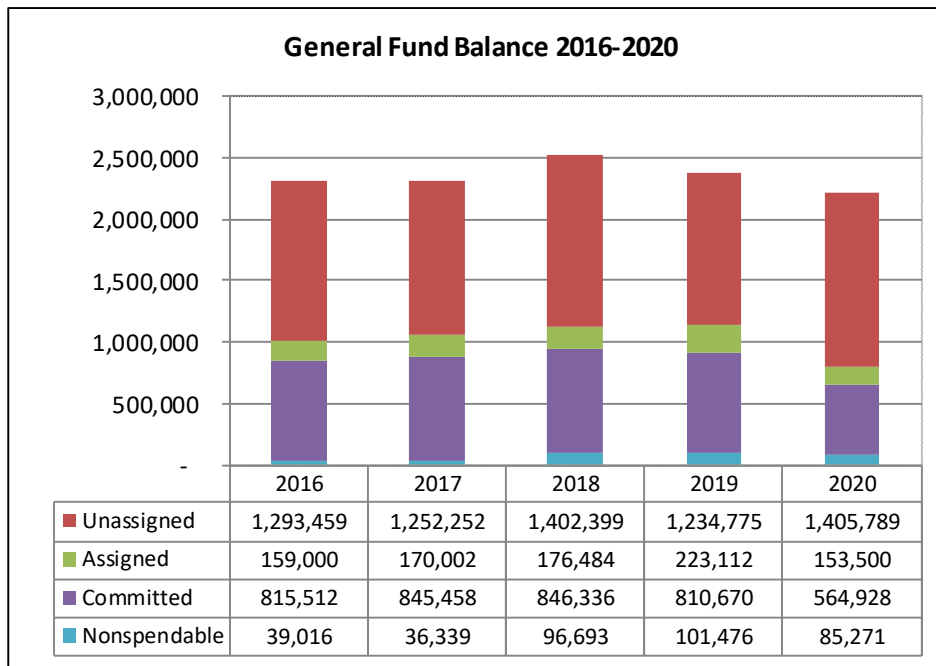
	2020	2019
General Fund:		
Nonspendable for:		
Inventories and Prepaid Items	\$ 19,838	\$ 20,167
Delinquent Taxes	14,318	6,136
Delinquent Special Assessments	51,115	75,173
Committed for:		
Debt Stabilization	453,955	677,060
Building Maintenance Fund	110,000	100,000
Salt Sinking Fund	973	33,610
Assigned for:		
Revaluation	47,700	125,000
Subsequent Years Budget	2,000	23,000
Election Equipment	31,000	24,500
Arbitrage Services	3,750	4,250
Cemetery Operations	4,305	4,802
Economic Development	35,000	35,000
Fire Station	29,745	6,660
Unassigned	1,405,789	1,234,775
Total General Fund	2,209,488	2,370,133
Special Revenue Funds:		
Calavera Park	11,572	10,108
Park Development Fees	77,687	67,769
Excess Stadium District Tax	327,263	493,321
Total Special Revenue Funds	416,522	571,198
Debt Service Fund:		
Restricted for Debt Retirement	277,202	50,634
Capital Projects Funds:		
Capital Improvements	3,598,254	3,071,941
Capital Construction	1,120,516	-
TID No. 1	187,899	97,765
TID No. 2	42,616	60,181
TID No. 4	278,697	147,206
Total Capital Projects Funds	5,227,982	3,377,093
Permanent Fund		
Cemetery	103,372	99,986
Total Governmental Fund Balances	\$ 8,234,566	\$ 6,469,044

Summary Financial Information

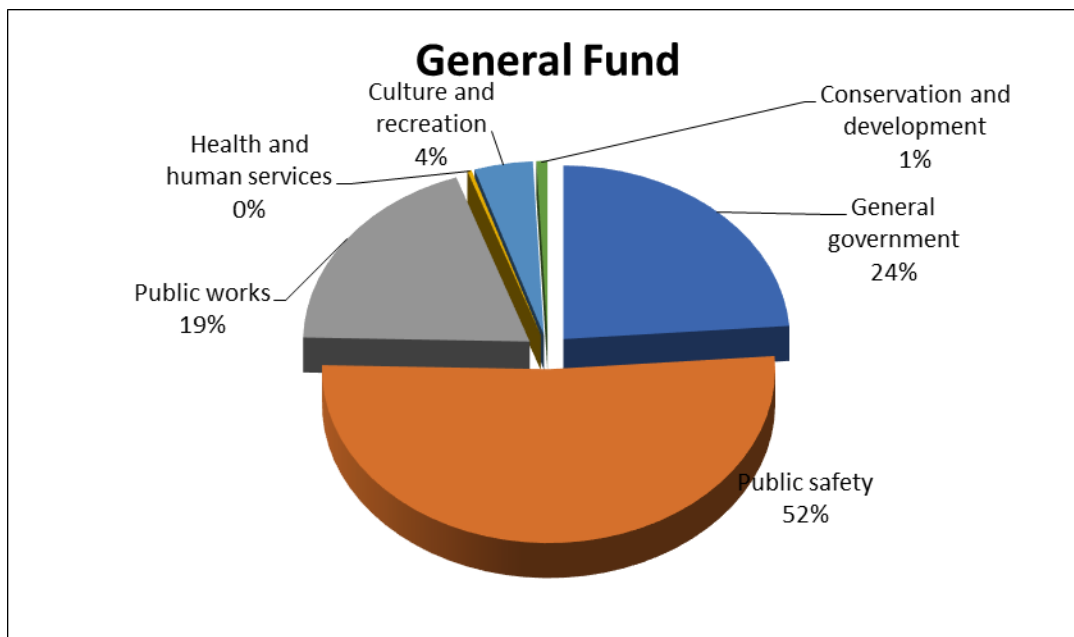
General Fund

In 2020, the Village experienced an increase in general fund revenues as a result of the economy and interest rates; however, the Village was able to control expenditures and expenditures were \$430,791 under budget.

The Village's unassigned fund balance currently is \$1,405,789. The Village's fund balance policy requires 25% of the 2020 general fund budgeted expenditures to be set aside which equals \$1,173,705 as calculated on page 68 of the Village's audit report. The Village's debt stabilization fund has a balance of \$453,955. The Village has elected to use a portion of the debt stabilization fund to offset costs for the new fire station.

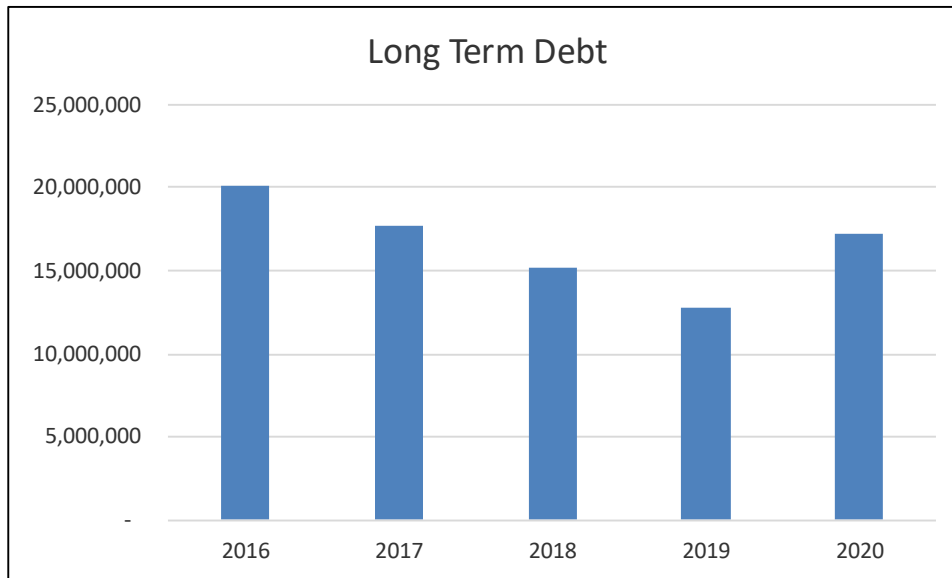


The following breaks down the composition of the general fund expenditures for 2020:



Summary Financial Information

The Village has decreased long-term debt over the last 5 years as shown below:



Capital Improvements

The Village has established a capital projects fund to record financial transactions pertaining to the Village's capital improvement plan financed by an annual property tax levy and other revenues. At December 31, 2020, the assigned fund balance of \$3,598,254 was comprised of the following:

Assigned for Subsequent Year's Expenditures:

Equipment Replacement	\$ 1,592,765
Dredging	13,430
Trail Development	65,834
Park Improvements	25,410
Road Reconstruction	715,649
Bridge Maintenance and Construction	186,972
Forestry	10,584
Future Capital Improvements	697,223
Debt Retirement	290,386
Total	<u>\$ 3,598,253</u>

Summary Financial Information

Tax Incremental Districts

The Village has created three tax incremental financing districts. At December 31, 2020, the following amounts are recoverable from future revenues of the Districts:

	District No. 1	District No. 2	District No. 4
Future Maturities of Principal on			
Outstanding Debt	\$ 1,315,000	\$ 80,000	\$ -
Less: Available Fund Balance	(187,899)	(42,616)	(278,697)
Add: Capital Costs financed by Village	-	-	-
Add: Capital Costs from Land Sale Proceeds	180,495	-	-
Add: Debt Service Reallocation	-	45,000	-
Add: Transfer from Debt Service	-	44,731	-
Add: Fund Deficit	-	-	-
Net Unreimbursed Project Costs -			
December 31, 2020	<u>\$ 1,307,596</u>	<u>\$ 127,115</u>	<u>\$ (278,697)</u>

Each District is responsible for the following principal and interest maturities:

Due	Tax Incremental District No. 1			Tax Incremental District No. 2		
	Principal	Interest	Total	Principal	Interest	Total
2021	\$ 240,000	\$ 30,650	\$ 270,650	\$ 80,000	\$ 1,080	\$ 81,080
2022	265,000	25,269	290,269	-	-	-
2023	270,000	18,912	288,912	-	-	-
2024	265,000	11,894	276,894	-	-	-
2025	275,000	4,125	279,125	-	-	-
Total	<u>\$ 1,315,000</u>	<u>\$ 90,850</u>	<u>\$ 1,405,850</u>	<u>\$ 80,000</u>	<u>\$ 1,080</u>	<u>\$ 81,080</u>

GARBAGE AND RECYCLING OPERATING RESULTS

A comparative summary of the garbage and recycling operating results for the years ending December 31, 2020 and 2019 follows:

Summary Financial Information

	<u>2020</u>	<u>2019</u>
Operating Revenues	\$ 806,098	\$ 777,245
Operating Expenses:		
Operation and Maintenance	763,120	733,771
Depreciation	<u>25,838</u>	<u>25,838</u>
Total Operating Expenses	<u>788,958</u>	<u>759,609</u>
Operating Income	17,140	17,636
Nonoperating Revenues (Expenses):		
Intergovernmental Grants	23,721	19,167
Interest Income	<u>7,972</u>	<u>23,733</u>
Total Nonoperating Revenues (Expenses)	31,693	42,900
Transfers In	116	-
Transfers Out	<u>(85,000)</u>	<u>(85,000)</u>
Change in Net Position	<u>\$ (36,051)</u>	<u>\$ (24,464)</u>

Summary Financial Information

ENGINEERING DEPARTMENT INTERNAL SERVICE FUND

The Village created an internal service fund to allocate charges for the engineering department to the Village and developers. A comparative summary of the engineering department internal service fund operating results for the years ending December 31, 2020 and 2019 follows:

	<u>2020</u>	<u>2019</u>
Operating Revenues	\$ 135,047	\$ 95,064
Operating Expenses:		
Operation and Maintenance	60,527	129,419
Depreciation	<u>6,845</u>	<u>8,454</u>
Total Operating Expenses	<u>67,372</u>	<u>137,873</u>
Operating Income (Loss)	67,675	(42,809)
Nonoperating Revenues (Expenses):		
Interest Income	836	1,173
Other Nonoperating Revenues (Expenses)	<u>13,020</u>	<u>6,415</u>
Total Nonoperating Revenues (Expenses)	13,856	7,588
Transfers In	<u>2,200</u>	<u>-</u>
Change in Net Position	<u>\$ 83,731</u>	<u>\$ (35,221)</u>

The engineering department internal service fund has an ending unrestricted net position balance of \$172,846. The unrestricted net position increased in 2020, as the Village worked to charge out more work to the projects.

Summary Financial Information

WATER UTILITY OPERATING RESULTS

A comparative summary of the Water Utility's change in net position for the years ended December 31, 2020 and 2019 appears below:

	<u>2020</u>	<u>2019</u>
Operating Revenues	\$ 1,032,203	\$ 887,021
Operating Expenses:		
Operation and Maintenance	545,453	578,761
Depreciation	<u>265,499</u>	<u>255,623</u>
Total Operating Expenses	<u>810,952</u>	<u>834,384</u>
Operating Income	221,251	52,637
Nonoperating Revenues (Expenses):		
Interest Income	14,228	48,192
Loss on Disposal on Capital Assets	-	(42,914)
Interest and Fiscal Charges	(52,084)	(49,436)
Amortization of Debt Discount	1,863	(1,945)
Total Nonoperating Revenues (Expenses)	<u>(35,993)</u>	<u>(46,103)</u>
Income before Contributions and Transfers	185,258	6,534
Capital Contributions:		
Impact Fees	76,754	28,737
Customer and Developer Contributions	<u>28,762</u>	<u>25,575</u>
Total Capital Contributions	105,516	54,312
Transfer:		
Payment in Lieu of Taxes	<u>(181,234)</u>	<u>(189,002)</u>
Change in Net Position	<u>\$ 109,540</u>	<u>\$ (128,156)</u>

Rate of Return - The Public Service Commission of Wisconsin (PSC) determines rates charged to customers of the water utility by calculating a rate of return on the water utility's average net rate base. Presented below is the calculation of the rates of return for 2020 and 2019 for the water utility based on the format used by the PSC:

	<u>2020</u>	<u>2019</u>
Rate Base (Average Balances)	<u>\$ 3,030,301</u>	<u>\$ 3,012,821</u>
PSC Operating Income	<u>\$ 202,464</u>	<u>\$ 60,965</u>
Rate of Return	<u>6.68%</u>	<u>2.02%</u>

Summary Financial Information

SEWER UTILITY OPERATING RESULTS

A comparative summary of the Sewer Utility's change in net position for the years ended December 31, 2020 and 2019 appears below:

	<u>2020</u>	<u>2019</u>
Operating Revenues	\$ 2,274,341	\$ 2,258,099
Operating Expenses:		
Operation and Maintenance	1,403,748	1,335,904
Depreciation	471,764	528,838
Amortization	72,626	-
Total Operating Expenses	<u>1,948,138</u>	<u>1,864,742</u>
Operating Income	326,203	393,357
Nonoperating Revenues (Expenses):		
Interest Income	17,992	45,235
Interest and Fiscal Charges	(60,062)	(73,300)
Total Nonoperating Revenues (Expenses)	<u>(42,070)</u>	<u>(28,065)</u>
Income before Contributions	284,133	365,292
Capital Contributions:		
Impact Fees	129,489	62,713
Plant Expansion Fees	8,700	5,800
Customer and Developer Contributions	95,630	448,320
Total Capital Contributions	<u>233,819</u>	<u>516,833</u>
Transfers In	<u>4,875</u>	<u>-</u>
Change in Net Position	<u>\$ 522,827</u>	<u>\$ 882,125</u>