

VILLAGE OF SPRING GREEN

Audit Presentation To the Village Board

For the Year Ended
December 31, 2025

September 23, 2026



JOHNSON BLOCK
CPAs

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

VILLAGE OF SPRING GREEN

Audit Overview

- We have completed our audit of the Village of Spring Green 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.
- 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 2025:
 - 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

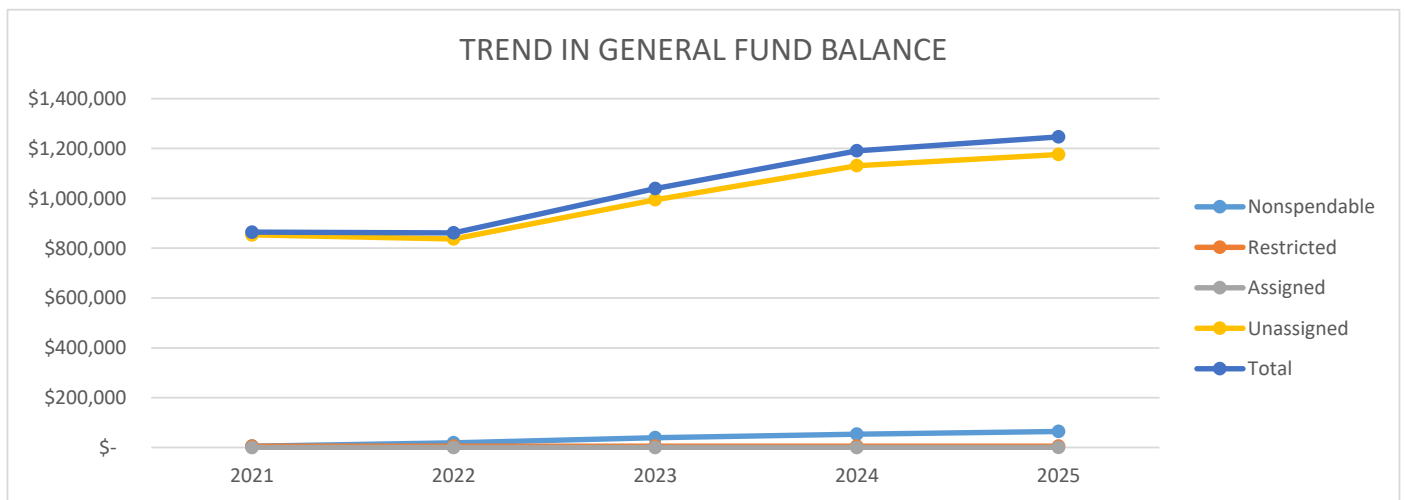
2025 FINANCIAL HIGHLIGHTS

- Governmental funds of the Village reported an increase in overall fund balance of \$600,954
 - General Fund increased \$55,938
 - Capital Improvements Fund increased \$321,279 due to the tax levy being larger than the cost of capital projects in 2025
 - Lamb Fund increased \$140,326 due to an unrealized gain on investments of \$153,274.
 - Library Fund decreased \$35,278 due to capital outlays of approximately \$37,000.
 - TIF #6 Fund increased \$137,263 due to the increased tax levy and Act 12 personal property aid allocated to the TID.
 - Other governmental funds decreased \$25,075
- The Water Utility reported an increase in net position of \$147,328, and the Sewer Utility showed a decrease in net position of (\$629) in 2025.

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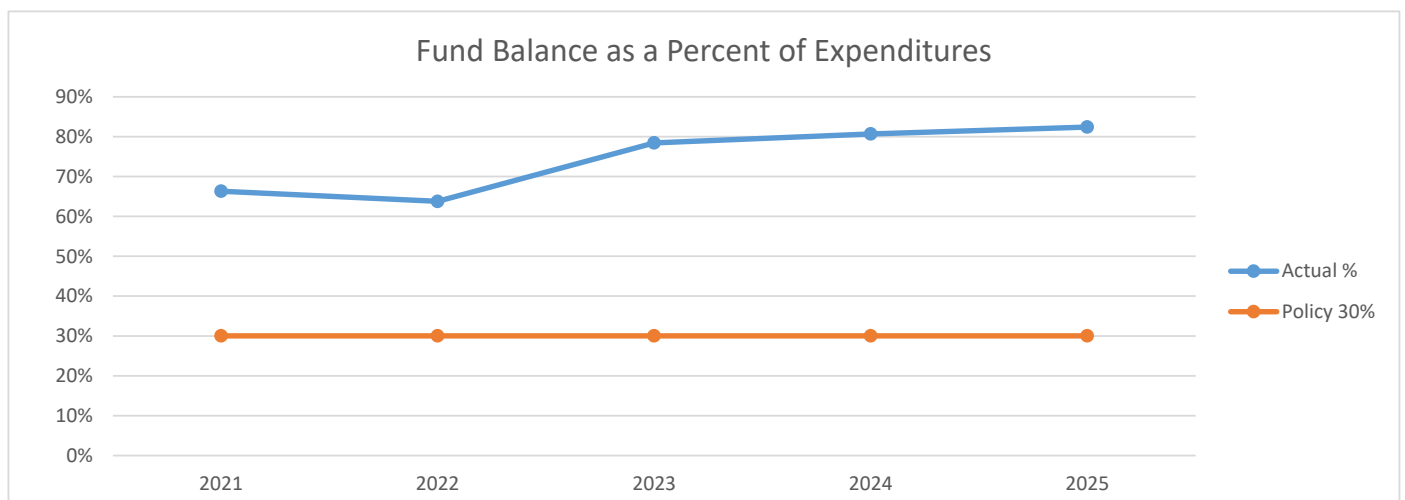
TREND IN GENERAL FUND BALANCE

	2021	2022	2023	2024	2025
Nonspendable	\$ 5,170	\$ 19,045	\$ 39,620	\$ 53,851	\$ 64,627
Restricted	5,748	5,748	5,748	5,748	5,748
Assigned					419
Unassigned	853,165	836,788	993,983	1,131,050	1,175,793
Total	\$ 864,083	\$ 861,581	\$ 1,039,351	\$ 1,190,649	\$ 1,246,587



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

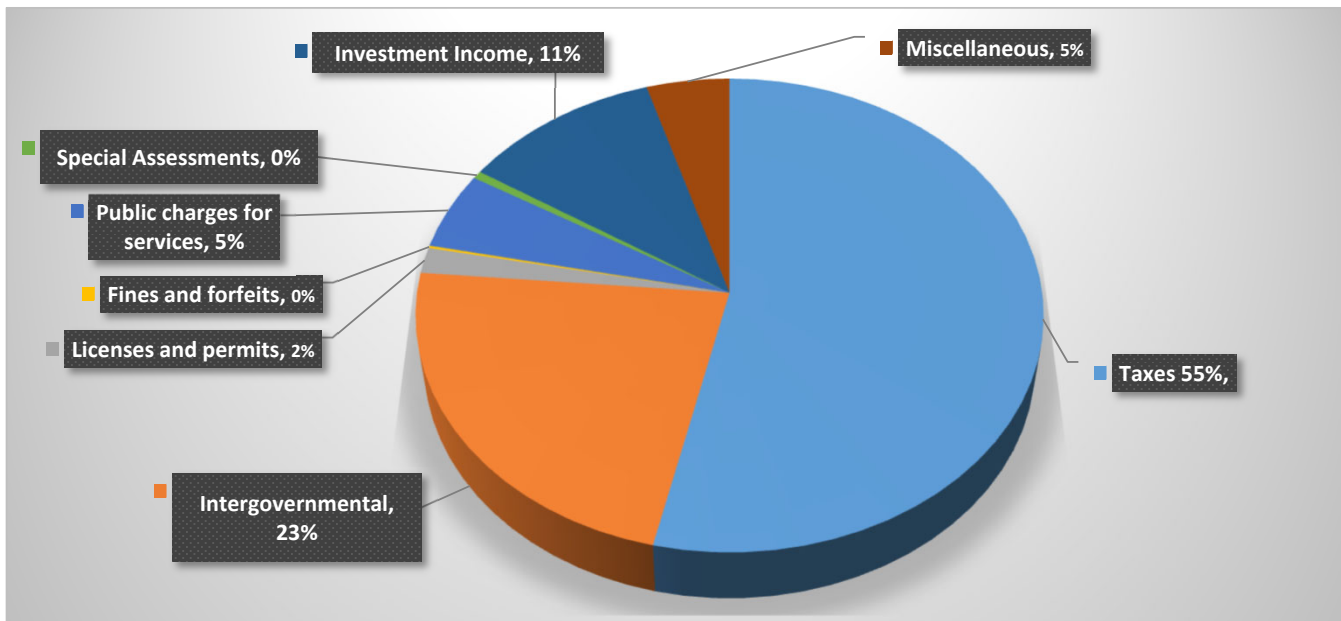
	2021	2022	2023	2024	2025
Available fund balance	\$ 853,165	\$ 836,788	\$ 993,983	\$ 1,131,050	\$ 1,175,793
Expenditures	1,286,960	1,312,482	1,267,656	1,401,838	1,426,543
Actual %	66%	64%	78%	81%	82%
Policy 30%	30%	30%	30%	30%	30%



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GOVERNMENTAL FUND REVENUES

	2023	%	2024	%	2025	%
Taxes	\$ 1,452,829	56%	\$ 1,573,528	55%	\$ 1,633,194	55%
Intergovernmental	470,094	18%	521,829	18%	695,185	23%
Licenses and permits	22,744	1%	34,051	1%	53,363	2%
Fines and forfeits	5,440	0%	4,970	0%	4,943	0%
Public charges for services	152,017	6%	159,213	5%	161,706	5%
Special assessments	14,355	1%	92,660	3%	16,201	1%
Investment income	347,237	13%	362,885	13%	341,483	11%
Miscellaneous	139,623	5%	149,224	5%	142,782	5%
Total revenues	\$ 2,604,339	100%	\$ 2,898,360	100%	\$ 3,048,857	100%



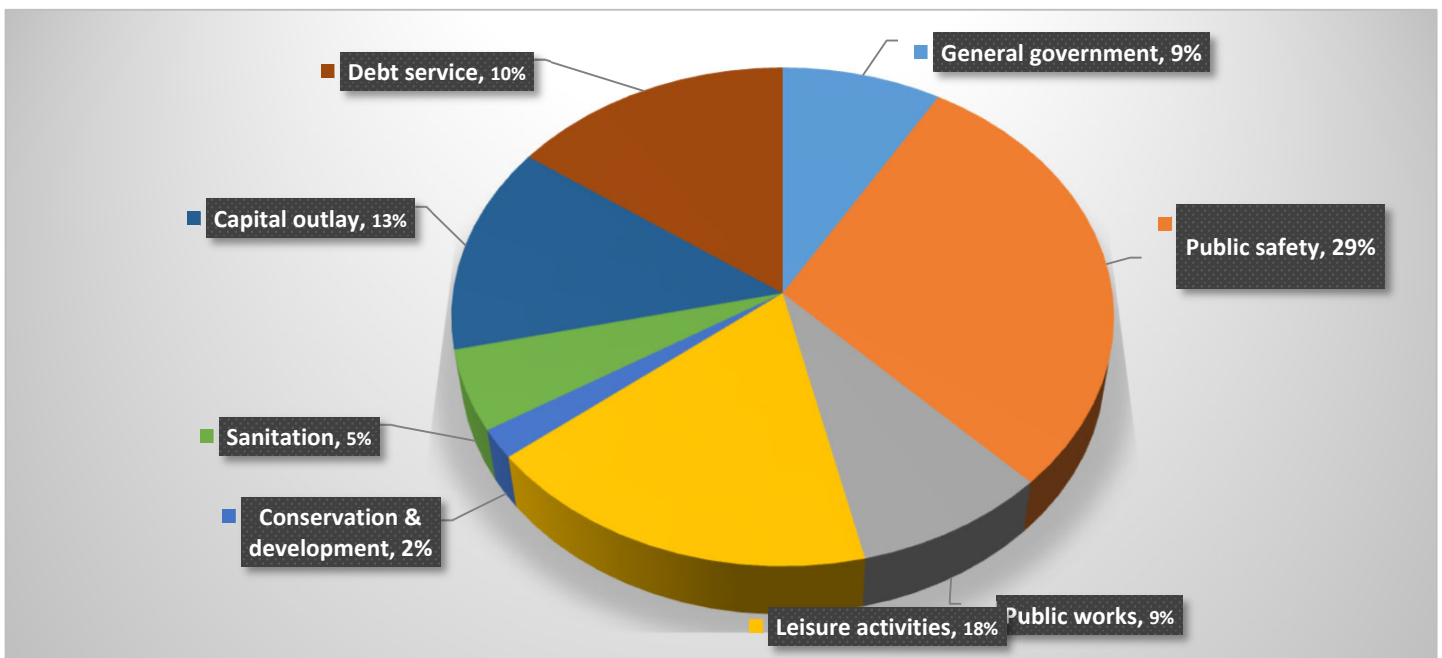
OBSERVATIONS AND COMMENTS:

- Taxes revenue was 55% of the total revenues in 2025 and 2024.
- Intergovernmental revenue increased due to approximately \$86,000 received in Act 12 personal property aid in 2025 for the TIF, \$32,000 in increased personal property aid for the general fund, and \$20,600 for a street improvement grant.

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GOVERNMENTAL EXPENDITURES

	2023	%	2024	%	2025	%
General government	\$ 187,860	6%	\$ 219,280	8%	\$ 214,423	9%
Public safety	636,356	19%	717,638	27%	730,238	29%
Public works	197,690	6%	208,919	8%	218,743	9%
Leisure activities	407,749	12%	453,524	17%	449,713	18%
Conservation & development	21,151	1%	30,072	1%	47,473	2%
Sanitation	124,608	4%	128,475	5%	131,416	5%
Capital outlay	1,469,773	44%	500,617	19%	338,243	13%
Debt service	280,506	8%	389,706	15%	379,307	15%
Total expenditures	\$ 3,325,693	100%	\$ 2,648,231	100%	\$ 2,509,556	100%



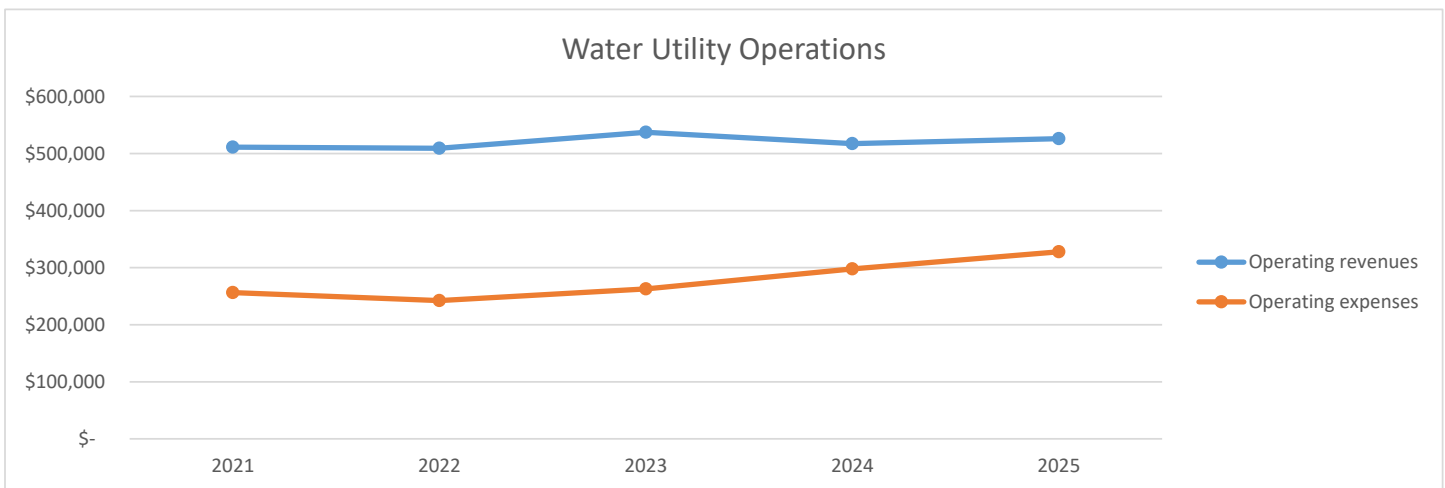
OBSERVATIONS AND COMMENTS:

- Capital Outlay decreased significantly in 2025 due mainly to the new library roof purchased in 2024.

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WATER UTILITY

	2021	2022	2023	2024	2025
Operating revenues	\$ 511,235	\$ 509,412	\$ 537,206	\$ 517,426	\$ 526,090
Operating expenses	256,283	242,253	262,708	297,814	327,769
Net operating income (loss)	<u>\$ 254,952</u>	<u>\$ 267,159</u>	<u>\$ 274,498</u>	<u>\$ 219,612</u>	<u>\$ 198,321</u>
Cashflow from operations	\$ 307,402	\$ 385,772	\$ 419,637	\$ 326,876	\$ 346,682



Days of cash on hand

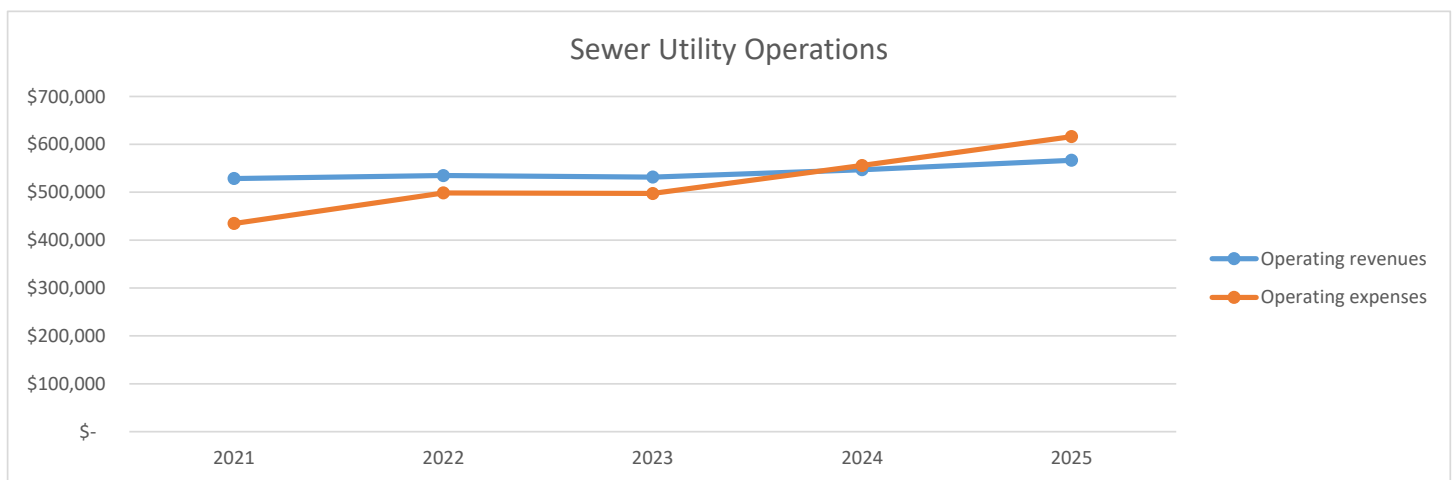
	2021	2022	2023	2024	2025
Unrestricted cash	\$ 812,538	\$ 1,101,235	\$ 1,087,354	\$ 1,299,458	\$ 1,445,140
Oper exp plus tax equivalent*	\$ 327,333	\$ 305,207	\$ 322,109	\$ 359,467	\$ 389,454
Days cash on hand	906	1,317	1,232	1,319	1,354

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

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SEWER UTILITY

	2021		2022		2023		2024		2025	
Operating revenues	\$	528,459	\$	534,733	\$	531,696	\$	546,965	\$	566,861
Operating expenses		434,848		498,414		497,300		555,813		616,287
Net operating income (loss)	\$	93,611	\$	36,319	\$	34,396	\$	(8,848)	\$	(49,426)
Cashflow from operations	\$	264,745	\$	266,187	\$	274,180	\$	207,764	\$	203,205



Days of cash on hand

	2021		2022		2023		2024		2025	
Unrestricted cash	\$	1,584,825	\$	1,662,417	\$	1,594,815	\$	1,774,881	\$	1,860,438
Operating expenses*	\$	434,848	\$	498,414	\$	497,300	\$	555,813	\$	616,287
Days cash on hand		1,330		1,217		1,171		1,166		1,102

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

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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
<u>Governmental Activities</u>					
General obligation bonds	\$ 4,540,000	\$	\$ (260,000)	\$ 4,280,000	\$ 260,000
Unamortized premium	160,923		(11,035)	149,888	
Other liabilities:					
Compensated absences*	105,794	10,922		116,716	59,876
Total governmental activities long-term liabilities	<u>\$ 4,806,717</u>	<u>\$ 10,922</u>	<u>\$ (271,035)</u>	<u>\$ 4,546,604</u>	<u>\$ 319,876</u>
<u>Business-type Activities</u>					
General obligation bonds	\$ 1,120,000	\$	\$ (60,000)	\$ 1,060,000	\$ 60,000
Other liabilities:					
Compensated absences*	29,214	4,081		33,295	17,440
Total business-type activities long-term liabilities	<u>\$ 1,149,214</u>	<u>\$ 4,081</u>	<u>\$ (60,000)</u>	<u>\$ 1,093,295</u>	<u>\$ 77,440</u>

OBSERVATIONS AND COMMENTS:

- General obligation debt limitation totaled \$13,876,920. Total general obligation debt outstanding at year-end was \$5,340,000.

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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, 2025:

Revenues:

Tax increment	\$ 1,223,574
Intergovernmental	429,964
Debt premium	131,181
Interest	12,656
Total revenues	<u>1,797,375</u>

Expenditures:

Construction	3,598,519
Administrative	5,830
Professional services	86,530
Interest and fiscal charges	538,487
Debt issuance costs	69,640
Total expenditures	<u>4,299,006</u>

Amount to be recovered through future increments	<u>\$ 2,501,631</u>
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Cash	\$ (233,369)
Long-term debt outstanding	<u>2,735,000</u>
Amount to be recovered through future increments	<u>\$ 2,501,631</u>

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SUMMARY

- Overall, the Village has a healthy fund balance. The Village has approximately \$8.5 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.
- Water Utility rate of return for 2025 was 6.4%.
- Audit Communication Document: Material Weaknesses on Pages 5 & 6:
 - 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 10:
 - 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.
 - Upcoming GASB Change - GASB Statement No. 103, Financial Reporting Model Improvements, introduces changes to the presentation of financial results intended to improve clarity and consistency for users of governmental financial statements. While GASB Statement No. 103 does not change statutory budget requirements, the updated financial reporting model may affect how budget-to-actual information is viewed and reconciled to the financial statements. We recommend that the budget is reviewed throughout the year, and amendments are approved as needed.
 - Fraud Risk Controls - The Village Board is aware of the various fraud risks that exist in a smaller entity, especially with limited opportunity to segregate all duties due to staff size. The Board believes that it has conveyed to Village employees the importance of communicating any fraudulent activity to management. We recommend that the Village consider adopting a policy related to fraud activities that addresses how an employee would report any possible fraud activity and the consequences of such activity.
- Thanks to the Village staff for their help during the audit. We received full and complete cooperation from Village personnel.