



**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**
Shorewood, Wisconsin

FINANCIAL STATEMENTS

For the Year Ended December 31, 2022



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**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

To the Village Board
Village of Shorewood
Shorewood, Wisconsin

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the Village of Shorewood, Wisconsin (the Village) as of and for the year ended December 31, 2022, and the notes to the financial statements which collectively comprise the basic financial statements of the Village and have issued our report thereon dated June 29, 2023, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on such 2022 financial statements as a whole. The supplementary information presented on pages 2 and 3 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of those basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2022 as a whole.

Management is responsible for the other information included in the annual report. The other information comprises the Historical Summary of Project Costs, Project Revenues, and Net Cost to be Recovered through Tax Increments, Historical Summary of Sources, Uses, and Status of Funds Including Detail Capital Expenditures, and Detailed Schedule of Sources, Uses, and Status of Funds but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Sikich LLP

Brookfield, Wisconsin
June 29, 2023

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

BALANCE SHEET

December 31, 2022

	<u>2022</u>
ASSETS	
Taxes receivable	\$ 360,878
Accounts receivable	20,800
Accrued interest	755
Prepays	-
Loans receivable	-
Restricted cash and cash equivalents	<u>1,503,762</u>
TOTAL ASSETS	<u>\$ 1,886,195</u>
LIABILITIES	
Accounts payable	\$ 56,333
Unearned revenues	470
Total Liabilities	<u>56,803</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for subsequent year's budget	<u>751,539</u>
Total Deferred Inflows	<u>751,539</u>
FUND BALANCE	
Restricted for TID project plan	<u>1,077,853</u>
Total Fund Balance	<u>1,077,853</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 1,886,195</u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended December 31, 2022

	<u>2022</u>
REVENUES	
Taxes	\$ 1,034,750
Intergovernmental	2,943
Investment income	(357)
Other revenues	<u>20,800</u>
Total Revenues	<u>1,058,136</u>
 EXPENDITURES	
Current	
Conservation and development	3,971
Capital Outlay	69,416
Debt Service	
Payments on PAYGO Bonds	288,170
Interest and fiscal charges	<u>17,392</u>
Total Expenditures	<u>378,949</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>679,187</u>
 OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(372,904)</u>
Total Other Financing Sources (Uses)	<u>(372,904)</u>
 Net Change in Fund Balance	 306,283
 BEGINNING FUND BALANCE	 <u>771,570</u>
 ENDING FUND BALANCE	 <u>\$ 1,077,853</u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

**HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES
AND NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS**

For the Year Ended December 31, 2022 and
and From Date of Creation through December 31, 2022

	2022	Total From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ 69,416	\$ 3,620,493
Developer Incentives (PAYGO)	288,170	1,051,857
Administration	3,971	128,992
Interest and fiscal charges	17,392	387,691
Debt issuance costs and discounts	-	25,745
Total Project Costs	378,949	5,214,778
PROJECT REVENUES		
Tax increment	1,034,750	4,967,282
Shortfall payments	-	311,098
Exempt computer aid	2,943	105,284
Investment income	(357)	44,763
Miscellaneous revenue	20,800	449,647
Premiums on long-term debt	-	34,631
Total Project Revenues	1,058,136	5,912,705
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2022	\$ (679,187)	\$ (697,927)
Reconciliation of Recoverable Costs		
General obligation debt		\$ 380,000
PayGo Note		5,500,000
Less: Fund balance		(1,077,853)
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2022		\$ 4,802,147

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

HISTORICAL STATEMENT OF SOURCES, USES AND
STATUS OF FUNDS INCLUDING DETAIL CAPITAL EXPENDITURES
For the Year Ended December 31, 2022 and
and From Date of Creation through December 31, 2022

	2022	Total From Date of Creation	Project Plan Estimate
SOURCES OF FUNDS			
Tax increment	\$ 1,034,750	\$ 4,967,282	\$ -
Shortfall Payments	-	311,098	-
Exempt computer aid	2,943	105,284	-
Investment income	(357)	44,763	-
Miscellaneous revenue	20,800	449,647	-
Premium on long-term debt	-	34,631	-
Proceeds from debt	-	3,192,361	-
Total Sources of Funds	<u>1,058,136</u>	<u>9,105,066</u>	<u>-</u>
USES OF FUNDS			
Capital expenditures			
River bluff restoration	\$ -	\$ 492,362	\$ 600,000
Capital Drive and traffic control	-	500,540	440,000
Access drives costs	-	628,959	100,000
Options	-	-	20,000
Engineering & Support services	-	335,346	175,000
Contingencies	-	-	230,000
Developer subsidy	-	1,495,999	3,200,000
Site acquisition costs	-	72,799	5,500,000
Outside boundary project costs	-	420	-
Open Space Preservation	69,416	94,068	100,000
Total Capital expenditures	<u>69,416</u>	<u>3,620,493</u>	<u>14,840,000</u>
Marketing, auditing, planning and administration	3,971	128,992	485,236
Debt service expenditures	-	-	-
Principal on G.O. bonds	372,904	2,835,206	-
Interest and fiscal charges	17,392	364,920	-
Payments on PAYGO Bonds	288,170	1,051,857	-
Debt issuance costs	-	25,745	-
Total Uses of Funds	<u>751,853</u>	<u>8,027,213</u>	<u>\$ 15,325,236</u>
Net Change in Fund Balance	306,283	1,077,853	
BEGINNING FUND BALANCE	<u>771,570</u>	<u>-</u>	
ENDING FUND BALANCE	<u>\$ 1,077,853</u>	<u>\$ 1,077,853</u>	

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation through December 31, 2022

	2008	2009	2010	2011	2012	2013	2014	2015	2016
SOURCES OF FUNDS									
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 152,370
Shortfall Payments	-	-	-	-	-	-	-	-	-
Exempt computer aid	-	-	14,740	30,000	18,615	13,256	8,320	6,532	48
Investment income	-	-	1,929	-	-	60	-	15,926	8,071
Miscellaneous revenue	-	-	-	-	61,347	-	-	-	-
Premium on long-term debt	-	-	-	-	-	14,619	20,012	-	-
Proceeds from debt	-	-	482,161	-	-	440,200	410,000	1,860,000	-
Total Sources of Funds	-	-	498,830	30,000	79,962	468,135	438,332	1,882,458	160,489
USES OF FUNDS									
Capital expenditures									
Purchase of Touhy land remnant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
River bluff restoration	47,702	17,714	2,110	-	-	-	-	-	39,350
Capital Drive and traffic control	-	-	400,000	100,540	-	-	-	-	-
Access drives costs	-	-	-	-	-	-	537,144	91,815	-
Options	-	-	-	-	-	-	-	-	-
Engineering & Support services	-	-	52,869	-	-	43,635	103,800	57,550	37,282
Contingencies	-	-	-	-	-	-	-	-	-
Developer subsidy	-	-	-	-	-	-	-	-	1,100,491
Site acquisition costs	-	-	2,601	70,198	-	-	-	-	-
Outside boundary project costs	-	-	-	-	-	-	-	-	-
Wilson Dr. improvements	-	-	-	-	-	-	-	-	-
Acquisition	-	-	-	-	-	-	-	-	-
Signage/Entrance monumentation	-	-	-	-	-	-	-	-	-
Façade Improvements	-	-	-	-	-	-	-	-	-
Open Space Preservation	-	-	-	-	-	-	-	-	-
Total Capital expenditures	47,702	17,714	457,580	170,738	-	43,635	640,944	149,365	1,177,123
Marketing, auditing, planning and administration	16,612	563	464	577	3,262	1,734	10,105	14,215	21,094
Debt service expenditures									
Principal on G.O. bonds	-	-	-	-	15,514	466,719	18,720	60,800	201,176
Interest and fiscal charges	-	-	5,873	12,438	12,408	27,843	7,481	46,447	56,579
Payments on PAYGO Bonds	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	8,382	-	-	-	-	17,363	-
Total Uses of Funds	64,314	18,277	472,299	183,753	31,184	539,931	677,250	288,190	1,455,972
Net Change in Fund Balance	(64,314)	(18,277)	26,531	(153,753)	48,778	(71,796)	(238,918)	1,594,268	(1,295,483)
BEGINNING FUND BALANCE	-	(64,314)	(82,591)	(56,060)	(209,813)	(161,035)	(232,831)	(471,749)	1,122,519
ENDING FUND BALANCE	\$ (64,314)	\$ (82,591)	\$ (56,060)	\$ (209,813)	\$ (161,035)	\$ (232,831)	\$ (471,749)	\$ 1,122,519	\$ (172,964)

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 3**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation through December 31, 2022

	2017	2018	2019	2020	2021	2022	Total From Date of Creation	Project Plan Estimate
SOURCES OF FUNDS								
Tax increment	\$ 556,963	\$ 545,567	\$ 677,153	\$ 800,650	\$ 1,199,829	\$ 1,034,750	\$ 4,967,282	\$ -
Shortfall Payments	114,001	112,034	85,063	-	-	-	311,098	-
Exempt computer aid	994	1,008	1,319	2,942	4,567	2,943	105,284	-
Investment income	1,446	1,216	6,852	7,672	1,948	(357)	44,763	-
Miscellaneous revenue	-	277,500	50,000	20,000	20,000	20,800	449,647	-
Premium on long-term debt	-	-	-	-	-	-	34,631	-
Proceeds from debt	-	-	-	-	-	-	3,192,361	-
Total Sources of Funds	<u>673,404</u>	<u>937,325</u>	<u>820,387</u>	<u>831,264</u>	<u>1,226,344</u>	<u>1,058,136</u>	<u>9,105,066</u>	<u>-</u>
USES OF FUNDS								
Capital expenditures								
Purchase of Touhy land remnant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 800,000
River bluff restoration	62,854	322,632	-	-	-	-	492,362	600,000
Capital Drive and traffic control	-	-	-	-	-	-	500,540	440,000
Access drives costs	-	-	-	-	-	-	628,959	100,000
Options	-	-	-	-	-	-	-	20,000
Engineering & Support services	15,446	24,764	-	-	-	-	335,346	175,000
Contingencies	-	-	-	-	-	-	-	230,000
Developer subsidy	395,508	-	-	-	-	-	1,495,999	3,200,000
Site acquisition costs	-	-	-	-	-	-	72,799	5,500,000
Outside boundary project costs	-	-	-	-	-	-	-	-
Wilson Dr. improvements	-	-	-	-	-	-	-	1,000,000
Acquisition	-	-	-	-	-	-	-	2,500,000
Signage/Entrance monumentation	-	-	-	-	-	-	-	75,000
Façade Improvements	-	-	-	-	-	-	-	100,000
Open Space Preservation	-	-	-	16,455	8,197	69,416	94,068	100,000
Total Capital expenditures	<u>473,808</u>	<u>347,396</u>	<u>-</u>	<u>16,455</u>	<u>8,197</u>	<u>69,416</u>	<u>3,620,073</u>	<u>14,840,000</u>
Marketing, auditing, planning and administration	17,682	9,544	22,422	3,672	3,495	3,971	129,412	485,236
Debt service expenditures								
Principal on G.O. bonds	270,744	346,161	349,072	351,984	358,641	372,904	2,812,435	-
Interest and fiscal charges	52,930	47,951	41,023	33,567	25,759	17,392	387,691	-
Payments on PAYGO Bonds	-	-	95,101	158,452	510,134	288,170	1,051,857	-
Debt issuance costs	-	-	-	-	-	-	25,745	-
Total Uses of Funds	<u>815,164</u>	<u>751,052</u>	<u>507,618</u>	<u>564,130</u>	<u>906,226</u>	<u>751,853</u>	<u>8,027,213</u>	<u>\$ 15,325,236</u>
Net Change in Fund Balance	(141,760)	186,273	312,769	267,134	320,118	306,283	1,077,853	
BEGINNING FUND BALANCE	(172,964)	(314,724)	(128,451)	184,318	451,452	771,570	-	
ENDING FUND BALANCE	<u>\$ (314,724)</u>	<u>\$ (128,451)</u>	<u>\$ 184,318</u>	<u>\$ 451,452</u>	<u>\$ 771,570</u>	<u>\$ 1,077,853</u>	<u>\$ 1,077,853</u>	

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INDEPENDENT AUDITOR'S REPORT

To the Village Board
Village of Shorewood
Shorewood, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Village of Shorewood, Wisconsin Tax Incremental District No. 3 (the District), as of and for the year ended December 31, 2022, and we have issued our report thereon dated June 29, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with the laws and regulations of the Wisconsin State Statutes Section 66.1105, and the project plan insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's noncompliance with the above referenced laws, regulations and project plan insofar as they relate to accounting matters.

We are required to be independent and meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

This report is intended solely for the information and use of the Village Board, management and the overlapping taxing districts and is not intended to be and should not be used by anyone other than those specified parties.

SiKich LLP

Brookfield, Wisconsin
June 29, 2023