



**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**
Shorewood, Wisconsin

FINANCIAL STATEMENTS

For the Year Ended December 31, 2022



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**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**

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December 31, 2022

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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, Detailed Schedule of Sources, Uses, and Status of Funds, and Detailed Schedule of Capital Expenditures sections 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. 4**

BALANCE SHEET
December 31, 2022

	<u>2022</u>
ASSETS	
Taxes receivable	\$ 227,952
Accounts receivable	963
Loans receivable	2,680,000
Restricted cash and cash equivalents	<u>1,668,787</u>
TOTAL ASSETS	<u><u>\$ 4,577,702</u></u>
LIABILITIES	
Unearned revenue	\$ <u>599</u>
Total Liabilities	<u>599</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for subsequent year's budget	474,717
Unavailable revenues	<u>2,680,000</u>
Total Deferred Inflows	<u>3,154,717</u>
FUND BALANCE	
Non-spendable prepaids	-
Restricted for bond purposes	-
Restricted for TID project plan	<u>1,422,386</u>
Total Fund Balance	<u>1,422,386</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u><u>\$ 4,577,702</u></u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**

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

For the Year Ended December 31, 2022

	<u>2022</u>
REVENUES	
Taxes	\$ 450,343
Intergovernmental	198
Investment income	87,537
Other revenues	<u>105,000</u>
Total Revenues	<u>643,078</u>
 EXPENDITURES	
Current	
Conservation and development	2,571
Debt Service	
Interest and fiscal charges	<u>181,969</u>
Total Expenditures	<u>184,540</u>
 Excess (Deficiency) of Revenues Over (Under) Expenditures	 <u>458,538</u>
 OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(350,000)</u>
Total Other Financing Sources (Uses)	<u>(350,000)</u>
 Net Change in Fund Balance	 108,538
 BEGINNING FUND BALANCE	 <u>4,098,848</u>
 Prior period adjustment	 <u>(2,785,000)</u>
 BEGINNING FUND BALANCE (RESTATED)	 <u>1,313,848</u>
 ENDING FUND BALANCE	 <u><u>\$ 1,422,386</u></u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**

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

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

	2022	Total From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ -	\$ 4,051,492
Administration	2,571	419,172
Interest and fiscal charges	181,969	2,257,465
Debt issuance costs and discounts	-	213,259
Total Project Costs	184,540	6,941,388
PROJECT REVENUES		
Tax increment	450,343	4,108,360
Exempt computer aid	198	792
Investment income	87,537	1,141,646
Miscellaneous revenue	105,000	185,000
Premium on long-term debt	-	47,976
Total Project Revenues	643,078	5,483,774
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2022	\$ (458,538)	\$ 1,457,614
Reconciliation of Recoverable Costs		
General obligation debt		\$ 5,665,000
Less: PPA - unavailable revenues		(2,785,000)
Less: fund balance		(1,422,386)
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2022		\$ 1,457,614

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**

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

	2022	Total From Date of Creation	Project Plan Estimate
SOURCES OF FUNDS			
Tax increment	\$ 450,343	\$ 4,108,360	\$ -
Exempt computer aid	198	792	-
Investment income	87,537	1,141,646	-
Miscellaneous revenue	105,000	185,000	-
Premium on long-term debt	-	47,976	-
Proceeds from debt	-	8,155,000	-
Total Sources of Funds	<u>643,078</u>	<u>13,638,774</u>	<u>-</u>
USES OF FUNDS			
Capital Expenditures			
Developer grant	\$ -	\$ 4,051,492	\$ 3,925,000
Developer loan	-	-	3,485,000
Infrastructure costs/contingency	-	-	500,000
Total Capital Expenditures	<u>-</u>	<u>4,051,492</u>	<u>7,910,000</u>
Legal, financial and consulting	2,571	419,172	250,000
Debt service expenditures			
Principal on G.O. bonds	350,000	2,490,000	-
Interest and fiscal charges	181,969	2,257,465	390,405
Debt issuance costs	-	213,259	174,595
Total Uses of Funds	<u>534,540</u>	<u>9,431,388</u>	<u>\$ 8,725,000</u>
Net Change in Fund Balance	108,538	4,207,386	
BEGINNING FUND BALANCE	<u>4,098,848</u>	<u>-</u>	
Prior period adjustment	<u>(2,785,000)</u>	<u>(2,785,000)</u>	
BEGINNING FUND BALANCE (RESTATEd)	<u>1,313,848</u>		
ENDING FUND BALANCE	<u>\$ 1,422,386</u>	<u>\$ 1,422,386</u>	

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation through December 31, 2022

	2011	2012	2013	2014	2015	2016
SOURCES OF FUNDS						
Tax increment	\$ -	\$ -	\$ -	\$ 244,766	\$ 425,043	\$ 482,653
Exempt computer aid	-	-	-	-	-	-
Investment income	-	87,937	104,331	104,429	106,813	106,823
Miscellaneous revenue	-	80,000	-	-	-	-
Premium on long-term debt	-	47,976	-	-	-	-
Proceeds from debt	-	8,155,000	-	-	-	-
Total Sources of Funds	<u>-</u>	<u>8,370,913</u>	<u>104,331</u>	<u>349,195</u>	<u>531,856</u>	<u>589,476</u>
USES OF FUNDS						
Capital Expenditures						
Developer grant	\$ -	\$ -	\$ 1,607,839	\$ 2,400,225	\$ -	\$ 43,428
Developer loan	-	-	-	-	-	-
Infrastructure costs/contingency	-	-	-	-	-	-
Total Capital Expenditures	<u>-</u>	<u>-</u>	<u>1,607,839</u>	<u>2,400,225</u>	<u>-</u>	<u>43,428</u>
Legal, financial and consulting	269,294	76,507	17,890	12,221	8,675	15,536
Debt service expenditures						
Principal on G.O. bonds	-	-	-	75,000	275,000	290,000
Interest and fiscal charges	-	165,999	226,771	226,744	225,244	219,744
Debt issuance costs	-	213,259	-	-	-	-
Total Uses of Funds	<u>269,294</u>	<u>455,765</u>	<u>1,852,500</u>	<u>2,714,190</u>	<u>508,919</u>	<u>568,708</u>
Net Change in Fund Balance	(269,294)	7,915,148	(1,748,169)	(2,364,995)	22,937	20,768
BEGINNING FUND BALANCE	<u>-</u>	<u>(269,294)</u>	<u>7,645,854</u>	<u>5,897,685</u>	<u>3,532,690</u>	<u>3,555,627</u>
Prior period adjustment	-	-	-	-	-	-
BEGINNING FUND BALANCE (RESTATED)	<u>-</u>	<u>(269,294)</u>	<u>7,645,854</u>	<u>5,897,685</u>	<u>3,532,690</u>	<u>3,555,627</u>
ENDING FUND BALANCE	<u>\$ (269,294)</u>	<u>\$ 7,645,854</u>	<u>\$ 5,897,685</u>	<u>\$ 3,532,690</u>	<u>\$ 3,555,627</u>	<u>\$ 3,576,395</u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 4**

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	\$ 481,005	\$ 486,405	\$ 533,589	\$ 515,588	\$ 488,968	\$ 450,343	\$ 4,108,360	\$ -
Exempt computer aid	-	-	255	198	141	198	792	-
Investment income	107,279	111,325	122,774	109,082	93,316	87,537	1,141,646	-
Miscellaneous revenue	-	-	-	-	-	105,000	185,000	-
Premium on long-term debt	-	-	-	-	-	-	47,976	-
Proceeds from debt	-	-	-	-	-	-	8,155,000	-
Total Sources of Funds	<u>588,284</u>	<u>597,730</u>	<u>656,618</u>	<u>624,868</u>	<u>582,425</u>	<u>643,078</u>	<u>13,638,774</u>	<u>-</u>
USES OF FUNDS								
Capital Expenditures								
Developer grant	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,051,492	\$ 3,925,000
Developer loan	-	-	-	-	-	-	-	3,485,000
Infrastructure costs/contingency	-	-	-	-	-	-	-	500,000
Total Capital Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,051,492</u>	<u>7,910,000</u>
Legal, financial and consulting	7,078	2,765	2,220	2,302	2,113	2,571	419,172	250,000
Debt service expenditures								
Principal on G.O. bonds	275,000	290,000	300,000	310,000	325,000	350,000	2,490,000	-
Interest and fiscal charges	213,944	208,444	202,644	196,269	189,693	181,969	2,257,465	390,405
Debt issuance costs	-	-	-	-	-	-	213,259	174,595
Total Uses of Funds	<u>496,022</u>	<u>501,209</u>	<u>504,864</u>	<u>508,571</u>	<u>516,806</u>	<u>534,540</u>	<u>9,431,388</u>	<u>\$ 8,725,000</u>
Net Change in Fund Balance	92,262	96,521	151,754	116,297	65,619	108,538	4,207,386	
BEGINNING FUND BALANCE	<u>3,576,395</u>	<u>3,668,657</u>	<u>3,765,178</u>	<u>3,916,932</u>	<u>4,033,229</u>	<u>4,098,848</u>	<u>-</u>	
Prior period adjustment	-	-	-	-	-	(2,785,000)	(2,785,000)	
BEGINNING FUND BALANCE (RESTATED)	<u>3,576,395</u>	<u>3,668,657</u>	<u>3,765,178</u>	<u>3,916,932</u>	<u>4,033,229</u>	<u>1,313,848</u>		
ENDING FUND BALANCE	<u>\$ 3,668,657</u>	<u>\$ 3,765,178</u>	<u>\$ 3,916,932</u>	<u>\$ 4,033,229</u>	<u>\$ 4,098,848</u>	<u>\$ 1,422,386</u>	<u>\$ 1,422,386</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. 4 (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