



**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**
Shorewood, Wisconsin

FINANCIAL STATEMENTS

For the Year Ended December 31, 2022

SIKICH.COM

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**

TABLE OF CONTENTS

December 31, 2022

	<u>Page(s)</u>
Financial Statements	
Independent Auditor's Report on Supplementary Information	1
Balance Sheet	2
Statement of Revenues, Expenditures, and Changes in Fund Balance	3
Other Information	
Historical Summary of Project Costs, Project Revenues, and Net Cost to be Recovered Through Tax Increments	4
Historical Statement of Sources, Uses, and Status of Funds Including Detail Capital Expenditures	5
Detailed Schedule of Sources, Uses and Status of Funds	6-7
Independent Auditor's Report	8

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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, 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. 5**

BALANCE SHEET
December 31, 2022

	<u>2022</u>
ASSETS	
Taxes receivable	\$ 716,745
Accounts receivable	3,530
Restricted cash and cash equivalents	5,996,514
TOTAL ASSETS	<u>\$ 6,716,789</u>
LIABILITIES	
Accounts payable	\$ 5,518
Unearned revenues	2,196
Total Liabilities	<u>7,714</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for subsequent year's budget	1,492,644
Total Deferred Inflows	<u>1,492,644</u>
FUND BALANCE	
Restricted for TID project plan	5,216,431
Total Fund Balance	<u>5,216,431</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u>\$ 6,716,789</u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**

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

For the Year Ended December 31, 2022

	<u>2022</u>
REVENUES	
Taxes	\$ 1,399,827
Intergovernmental	1,893
Investment income	<u>(1,516)</u>
Total Revenues	<u>1,400,204</u>
EXPENDITURES	
Current	
Conservation and development	3,971
Capital Outlay	26,678
Debt Service	
Interest and fiscal charges	<u>180,148</u>
Total Expenditures	<u>210,797</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,189,407</u>
OTHER FINANCING SOURCES (USES)	
Transfers out	<u>(245,000)</u>
Total Other Financing Sources (Uses)	<u>(245,000)</u>
Net Change in Fund Balance	944,407
BEGINNING FUND BALANCE	<u>4,272,024</u>
ENDING FUND BALANCE	<u>\$ 5,216,431</u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**

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	\$ 26,678	\$ 5,610,138
Administration	3,971	369,063
Interest and fiscal charges	180,148	1,485,968
Debt issuance costs and discounts	-	57,782
Total Project Costs	210,797	7,522,951
PROJECT REVENUES		
Tax increment	1,399,827	7,610,141
Exempt computer aid	1,893	13,451
Investment income	(1,516)	128,333
Miscellaneous revenue	-	17,457
Total Project Revenues	1,400,204	7,769,382
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2022	\$ (1,189,407)	\$ (246,431)
Reconciliation of Recoverable Costs		
General obligation debt		\$ 4,970,000
Less: fund balance		(5,216,431)
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2022		\$ (246,431)

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**

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

	<u>2022</u>	<u>Total From Date of Creation</u>	<u>Project Plan Estimate</u>
SOURCES OF FUNDS			
Tax increment	\$ 1,399,827	\$ 7,610,141	\$ -
Exempt computer aid	1,893	13,451	-
Investment income	(1,516)	128,333	-
Miscellaneous revenue	-	17,457	-
Proceeds from debt	-	6,190,000	-
Total Sources of Funds	<u>1,400,204</u>	<u>13,959,382</u>	<u>-</u>
USES OF FUNDS			
Capital Expenditures			
Developer grant	\$ -	\$ 5,500,000	\$ 5,500,000
Developer loan	-	-	6,500,000
Infrastructure costs/contingency	<u>26,678</u>	<u>110,138</u>	<u>-</u>
Total Capital Expenditures	<u>26,678</u>	<u>5,610,138</u>	<u>12,000,000</u>
Legal, financial and consulting	3,971	369,063	1,750,000
Debt service expenditures			
Principal on bonds	245,000	1,220,000	-
Interest and fiscal charges	180,148	1,485,968	-
Debt issuance costs	<u>-</u>	<u>57,782</u>	<u>-</u>
Total Uses of Funds	<u>455,797</u>	<u>8,742,951</u>	<u>\$ 13,750,000</u>
Net Change in Fund Balance	944,407	5,216,431	
BEGINNING FUND BALANCE	<u>4,272,024</u>	<u>-</u>	
ENDING FUND BALANCE	<u>\$ 5,216,431</u>	<u>\$ 5,216,431</u>	

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation through December 31, 2022

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
SOURCES OF FUNDS						
Tax increment	\$ -	\$ -	\$ 11,375	\$ 599,805	\$ 1,210,948	\$ 1,297,059
Exempt computer aid	-	-	2,343	1,755	1,781	2,459
Investment income	-	3,218	1,037	6,314	21,368	53,605
Miscellaneous revenue	-	-	10,457	7,000	-	-
Premium on long-term debt	-	-	-	-	-	-
Proceeds from debt	-	6,190,000	-	-	-	-
Total Sources of Funds	<u>-</u>	<u>6,193,218</u>	<u>25,212</u>	<u>614,874</u>	<u>1,234,097</u>	<u>1,353,123</u>
USES OF FUNDS						
Capital Expenditures						
Developer grant	\$ -	\$ 5,500,000	\$ -	\$ -	\$ -	\$ -
Developer loan	-	-	-	-	-	-
Infrastructure costs/contingency	-	-	-	-	-	-
Total Capital Expenditures	<u>-</u>	<u>5,500,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Legal, financial and consulting	228,816	65,933	31,614	29,299	2,796	2,220
Debt service expenditures						
Principal on bonds	-	-	-	50,000	225,000	225,000
Interest and fiscal charges	-	137,709	199,098	199,098	198,498	194,898
Debt issuance costs	-	57,782	-	-	-	-
Total Uses of Funds	<u>228,816</u>	<u>5,761,424</u>	<u>230,712</u>	<u>278,397</u>	<u>426,294</u>	<u>422,118</u>
Net Change in Fund Balance	(228,816)	431,794	(205,500)	336,477	807,803	931,005
BEGINNING FUND BALANCE	<u>-</u>	<u>(228,816)</u>	<u>202,978</u>	<u>(2,522)</u>	<u>333,955</u>	<u>1,141,758</u>
ENDING FUND BALANCE	<u>\$ (228,816)</u>	<u>\$ 202,978</u>	<u>\$ (2,522)</u>	<u>\$ 333,955</u>	<u>\$ 1,141,758</u>	<u>\$ 2,072,763</u>

**VILLAGE OF SHOREWOOD
TAX INCREMENTAL DISTRICT NO. 5**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation through December 31, 2022

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total From Date of Creation</u>	<u>Project Plan Estimate</u>
SOURCES OF FUNDS					
Tax increment	\$ 1,358,803	\$ 1,732,324	\$ 1,399,827	\$ 7,610,141	\$ -
Exempt computer aid	1,893	1,327	1,893	13,451	-
Investment income	36,350	7,957	(1,516)	128,333	-
Miscellaneous revenue	-	-	-	17,457	-
Premium on long-term debt	-	-	-	-	-
Proceeds from debt	-	-	-	6,190,000	-
Total Sources of Funds	<u>1,397,046</u>	<u>1,741,608</u>	<u>1,400,204</u>	<u>13,959,382</u>	<u>-</u>
USES OF FUNDS					
Capital Expenditures					
Developer grant	\$ -	\$ -	\$ -	\$ 5,500,000	\$ 5,500,000
Developer loan	-	-	-	-	6,500,000
Infrastructure costs/contingency	-	83,460	26,678	110,138	-
Total Capital Expenditures	<u>-</u>	<u>83,460</u>	<u>26,678</u>	<u>5,610,138</u>	<u>12,000,000</u>
Legal, financial and consulting	2,301	2,113	3,971	369,063	1,750,000
Debt service expenditures					
Principal on bonds	225,000	250,000	245,000	1,220,000	-
Interest and fiscal charges	190,622	185,897	180,148	1,485,968	-
Debt issuance costs	-	-	-	57,782	-
Total Uses of Funds	<u>417,923</u>	<u>521,470</u>	<u>455,797</u>	<u>8,742,951</u>	<u>\$ 13,750,000</u>
Net Change in Fund Balance	979,123	1,220,138	944,407	5,216,431	
BEGINNING FUND BALANCE	<u>2,072,763</u>	<u>3,051,886</u>	<u>4,272,024</u>	<u>-</u>	
ENDING FUND BALANCE	<u>\$ 3,051,886</u>	<u>\$ 4,272,024</u>	<u>\$ 5,216,431</u>	<u>\$ 5,216,431</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. 5 (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