



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

FINANCIAL STATEMENTS

For the Year Ended December 31, 2019

The background of the lower half of the page features a teal horizontal band at the top, followed by a large, abstract graphic of overlapping, semi-transparent geometric shapes (triangles and polygons) in shades of gray and white, creating a sense of depth and movement.

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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 units, 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, 2019, and the notes to the financial statements which collectively comprise the basic financial statements of the Village and have issued our report thereon dated April 22, 2020, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on such 2019 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 2019 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, 2019 as a whole.

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 presented on pages 4 through 7 have not been subject to the auditing procedures applied in the audits of the basic financial statements and accordingly, we do not express any opinion or provide any assurance on them.

Sikich LLP

Brookfield, Wisconsin
April 22, 2020

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

BALANCE SHEET

December 31, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Cash and cash equivalents	\$ -
Taxes receivable	388,031
Accounts receivable	223
Restricted cash and cash equivalents	<u>596,988</u>
TOTAL ASSETS	<u><u>\$ 985,242</u></u>
LIABILITIES	
Accounts payable	\$ 22
Liabilities payable from restricted cash	-
Accrued liabilities	<u>97</u>
Total Liabilities	<u>119</u>
DEFERRED INFLOWS OF RESOURCES	
Taxes levied for subsequent year's budget	800,650
Unavailable revenues	<u>155</u>
Total Deferred Inflows	<u>800,805</u>
FUND BALANCE	
Restricted for TID project plan	<u>184,318</u>
Total Fund Balance	<u>184,318</u>
TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE	<u><u>\$ 985,242</u></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, 2019

	<u>2019</u>
REVENUES	
Taxes	\$ 677,153
Shortfall Payments	85,063
Intergovernmental	1,319
Investment income	6,852
Other revenues	<u>50,000</u>
Total Revenues	<u>820,387</u>
EXPENDITURES	
Current	
Conservation and development	117,523
Capital Outlay	-
Debt Service	
Interest and fiscal charges	<u>41,023</u>
Total Expenditures	<u>158,546</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>661,841</u>
OTHER FINANCING SOURCES (USES)	
General obligation debt issued	-
Premiums on bonds issued	-
Transfers out	<u>(349,072)</u>
Total Other Financing Sources (Uses)	<u>(349,072)</u>
Net Change in Fund Balance	312,769
BEGINNING FUND BALANCE	<u>(128,451)</u>
ENDING FUND BALANCE	<u>\$ 184,318</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, 2019 and
and From Date of Creation through December 31, 2019

	2019	Total From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ -	\$ 3,526,425
Administration	117,523	212,955
Interest and fiscal charges	41,023	310,973
Debt issuance costs and discounts	-	25,745
Total Project Costs	158,546	4,076,098
PROJECT REVENUES		
Tax increment	677,153	1,932,053
Shortfall payments	85,063	311,098
Exempt computer aid	1,319	94,832
Investment income	6,852	35,500
Miscellaneous revenue	50,000	388,847
Premiums on long-term debt	-	34,631
Total Project Revenues	820,387	2,796,961
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2019	\$ (661,841)	\$ 1,279,137
Reconciliation of Recoverable Costs		
General obligation debt		\$ 1,463,455
Less: Fund balance		(184,318)
Net Costs Recoverable (Recovered) Through		
Tax Increments - December 31, 2019		\$ 1,279,137

**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, 2019 and
and From Date of Creation through December 31, 2019

	2019	Total From Date of Creation	Project Plan Estimate
SOURCES OF FUNDS			
Tax increment	\$ 677,153	\$ 1,932,053	\$ -
Shortfall Payments	85,063	311,098	-
Exempt computer aid	1,319	94,832	-
Investment income	6,852	35,500	-
Miscellaneous revenue	50,000	388,847	-
Premium on long-term debt	-	34,631	-
Proceeds from debt	-	3,192,361	-
Total Sources of Funds	<u>820,387</u>	<u>5,989,322</u>	<u>-</u>
USES OF FUNDS			
Capital expenditures			
Purchase of Touhy land remnant	-	-	800,000
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 boundaryproject costs			
Wilson Dr. improvements	-	-	1,000,000
Acquisition	-	-	2,500,000
Signage/Entrance monumentation	-	-	75,000
Façade Improvements	-	-	100,000
Open Space Preservation	-	-	100,000
Total Capital expenditures	<u>-</u>	<u>3,526,005</u>	<u>14,840,000</u>
Marketing, auditing, planning and administration	117,523	213,375	485,236
Debt service expenditures			
Principal on G.O. bonds	349,072	1,751,677	-
Interest and fiscal charges	41,023	288,202	-
Debt issuance costs	-	25,745	-
Total Uses of Funds	<u>507,618</u>	<u>5,805,004</u>	<u>\$ 15,325,236</u>
Net Change in Fund Balance	312,769	184,318	
BEGINNING FUND BALANCE	<u>(128,451)</u>	<u>-</u>	
ENDING FUND BALANCE	<u>\$ 184,318</u>	<u>\$ 184,318</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, 2019

	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
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, 2019

	2017	2018	2019	Total From Date of Creation	Project Plan Estimate
SOURCES OF FUNDS					
Tax increment	\$ 556,963	\$ 545,567	\$ 677,153	\$ 1,932,053	\$ -
Shortfall Payments	114,001	112,034	85,063	311,098	-
Exempt computer aid	994	1,008	1,319	94,832	-
Investment income	1,446	1,216	6,852	35,500	-
Miscellaneous revenue	-	277,500	50,000	388,847	-
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>5,989,322</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	-	-	-	-	100,000
Total Capital expenditures	<u>473,808</u>	<u>347,396</u>	<u>-</u>	<u>3,526,005</u>	<u>14,840,000</u>
Marketing, auditing, planning and administration	17,682	9,544	117,523	213,375	485,236
Debt service expenditures					
Principal on G.O. bonds	270,744	346,161	349,072	1,728,906	-
Interest and fiscal charges	52,930	47,951	41,023	310,973	-
Debt issuance costs	-	-	-	25,745	-
Total Uses of Funds	<u>815,164</u>	<u>751,052</u>	<u>507,618</u>	<u>5,805,004</u>	<u>\$ 15,325,236</u>
Net Change in Fund Balance	(141,760)	186,273	312,769	184,318	
BEGINNING FUND BALANCE	<u>(172,964)</u>	<u>(314,724)</u>	<u>(128,451)</u>	<u>-</u>	
ENDING FUND BALANCE	<u>\$ (314,724)</u>	<u>\$ (128,451)</u>	<u>\$ 184,318</u>	<u>\$ 184,318</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, 2019, and we have issued our report thereon dated April 22, 2020.

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.

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
April 22, 2020