



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

FINANCIAL STATEMENTS

For the Year Ended December 31, 2019



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

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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 Costs to be Recovered through Tax Increments, and Historical Summary of Sources, Uses, and Status of Funds Including Detail Capital Expenditures presented on pages 4 through 6 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. 4**

BALANCE SHEET
December 31, 2019

| | Capital Projects Fund |
|---|-----------------------------|
| | <u> </u> |
| ASSETS | |
| Cash and cash equivalents | \$ - |
| Taxes receivable | 249,877 |
| Accounts receivable | 1,091 |
| Loans receivable | 2,985,000 |
| Restricted cash and cash equivalents | <u>1,300,788</u> |
| TOTAL ASSETS | <u><u>\$ 4,536,756</u></u> |
| | |
| LIABILITIES | |
| Accounts payable | \$ - |
| Liabilities payable from restricted cash | 103,428 |
| Accrued liabilities | <u>49</u> |
| Total Liabilities | <u>103,477</u> |
| | |
| DEFERRED INFLOWS OF RESOURCES | |
| Taxes levied for subsequent year's budget | 515,588 |
| Unavailable revenues | <u>759</u> |
| Total Deferred Inflows | <u>516,347</u> |
| | |
| FUND BALANCE | |
| Non-spendable prepaids | - |
| Restricted for bond purposes | - |
| Restricted for TID project plan | <u>3,916,932</u> |
| Total Fund Balance | <u>3,916,932</u> |
| | |
| TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE | <u><u>\$ 4,536,756</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, 2019

| | <u>2019</u> |
|--|---------------------|
| REVENUES | |
| Taxes | \$ 533,589 |
| Intergovernmental | 255 |
| Investment income | 122,774 |
| Other revenues | - |
| Total Revenues | <u>656,618</u> |
| EXPENDITURES | |
| Current | |
| Conservation and development | 2,220 |
| Capital Outlay | - |
| Debt Service | |
| Interest and fiscal charges | <u>202,644</u> |
| Total Expenditures | <u>204,864</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>451,754</u> |
| OTHER FINANCING SOURCES (USES) | |
| General obligation debt issued | - |
| Premiums on bonds issued | - |
| Transfers out | <u>(300,000)</u> |
| Total Other Financing Sources (Uses) | <u>(300,000)</u> |
| Net Change in Fund Balance | 151,754 |
| BEGINNING FUND BALANCE | <u>3,765,178</u> |
| ENDING FUND BALANCE | <u>\$ 3,916,932</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, 2019
and From Date of Creation through December 31, 2019

| | 2019 | Total From Date of Creation |
|---|---------------------|-----------------------------------|
| PROJECT COSTS | | |
| Capital expenditures | \$ - | \$ 4,051,492 |
| Administration | 2,220 | 412,186 |
| Interest and fiscal charges | 202,644 | 1,689,534 |
| Debt issuance costs and discounts | - | 213,259 |
| Total Project Costs | 204,864 | 6,366,471 |
| PROJECT REVENUES | | |
| Tax increment | 533,589 | 2,653,461 |
| Exempt computer aid | 255 | 255 |
| Investment income | 122,774 | 851,711 |
| Miscellaneous revenue | - | 80,000 |
| Premium on long-term debt | - | 47,976 |
| Total Project Revenues | 656,618 | 3,633,403 |
| NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2019 | \$ (451,754) | \$ 2,733,068 |
| Reconciliation of Recoverable Costs | | |
| General obligation debt | | \$ 6,650,000 |
| Less: fund balance | | (3,916,932) |
| Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2019 | | \$ 2,733,068 |

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

| | 2019 | Total From Date of Creation | Project Plan Estimate |
|----------------------------------|---------------------|-----------------------------------|-----------------------------|
| SOURCES OF FUNDS | | | |
| Tax increment | \$ 533,589 | \$ 2,653,461 | \$ - |
| Exempt computer aid | 255 | 255 | - |
| Investment income | 122,774 | 851,711 | - |
| Miscellaneous revenue | - | 80,000 | - |
| Premium on long-term debt | - | 47,976 | - |
| Proceeds from debt | - | 8,155,000 | - |
| Total Sources of Funds | <u>656,618</u> | <u>11,788,403</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 | 2,220 | 412,186 | 250,000 |
| Debt service expenditures | | | |
| Principal on G.O. bonds | 300,000 | 1,505,000 | - |
| Interest and fiscal charges | 202,644 | 1,689,534 | 390,405 |
| Debt issuance costs | - | 213,259 | 174,595 |
| Total Uses of Funds | <u>504,864</u> | <u>7,871,471</u> | <u>\$ 8,725,000</u> |
| Net Change in Fund Balance | 151,754 | 3,916,932 | |
| BEGINNING FUND BALANCE | <u>3,705,178</u> | <u>-</u> | |
| ENDING FUND BALANCE | <u>\$ 3,856,932</u> | <u>\$ 3,916,932</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, 2019

| | 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> |
| 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, 2019

| | 2017 | 2018 | 2019 | Total From Date of Creation | Project Plan Estimate |
|----------------------------------|---------------------|---------------------|---------------------|-----------------------------------|-----------------------------|
| SOURCES OF FUNDS | | | | | |
| Tax increment | \$ 481,005 | \$ 486,405 | \$ 533,589 | \$ 2,653,461 | \$ - |
| Exempt computer aid | - | - | 255 | 255 | - |
| Investment income | 107,279 | 111,325 | 122,774 | 851,711 | - |
| Miscellaneous revenue | - | - | - | 80,000 | - |
| 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>11,788,403</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>4,051,492</u> | <u>7,910,000</u> |
| Legal, financial and consulting | 7,078 | 2,765 | 2,220 | 412,186 | 250,000 |
| Debt service expenditures | | | | | |
| Principal on G.O. bonds | 275,000 | 290,000 | 300,000 | 1,505,000 | - |
| Interest and fiscal charges | 213,944 | 208,444 | 202,644 | 1,689,534 | 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>7,871,471</u> | <u>\$ 8,725,000</u> |
| Net Change in Fund Balance | 92,262 | 96,521 | 151,754 | 3,916,932 | |
| BEGINNING FUND BALANCE | <u>3,576,395</u> | <u>3,668,657</u> | <u>3,765,178</u> | <u>-</u> | |
| ENDING FUND BALANCE | <u>\$ 3,668,657</u> | <u>\$ 3,765,178</u> | <u>\$ 3,916,932</u> | <u>\$ 3,916,932</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, 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