



**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**  
Shorewood, Wisconsin

---

FINANCIAL STATEMENTS

For the Year Ended December 31, 2020



SIKICH.COM

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

TABLE OF CONTENTS

December 31, 2020

---

	<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 Summary of Sources, Uses, and Status of Funds	5
Detailed Schedule of Sources, Uses, and Status of Funds	6-8
Detailed Schedule of Capital Expenditures	9
Independent Auditor's Report	10

13400 Bishops Lane, Suite 300  
Brookfield, WI 53005  
262.754.9400

**SIKICH.COM**

## **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, 2020, 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 28, 2021, which expressed an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on such 2020 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 2020 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, 2020 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, Detailed Schedule of Sources, Uses, and Status of Funds, and Detailed Schedule of Capital Expenditures presented on pages 4 through 9 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 28, 2021

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

BALANCE SHEET

December 31, 2020

---

	<u>Capital Projects Fund</u>
<b>ASSETS</b>	
Taxes receivable	\$ 1,614,575
Accounts receivable	1,887
Loans receivable	-
Restricted cash and cash equivalents	<u>2,028,634</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 3,645,096</u></u>
<b>LIABILITIES</b>	
Accrued liabilities	<u>\$ 17</u>
Total Liabilities	<u>17</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Taxes levied for subsequent year's budget	2,666,607
Unavailable revenues	<u>1,335</u>
Total Deferred Inflows	<u>2,667,942</u>
<b>FUND BALANCE</b>	
Restricted for TID project plan	<u>977,137</u>
Total Fund Balance	<u>977,137</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS AND FUND BALANCE</b>	<u><u>\$ 3,645,096</u></u>

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

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

For the Year Ended December 31, 2020

---

	<u>2020</u>
<b>REVENUES</b>	
Taxes	\$ 2,009,109
Intergovernmental	43,854
Investment income	<u>14,051</u>
Total Revenues	<u>2,067,014</u>
<b>EXPENDITURES</b>	
Current	
Conservation and development	<u>2,272</u>
Total Expenditures	<u>2,272</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,064,742</u>
<b>OTHER FINANCING SOURCES (USES)</b>	
Transfers out	<u>(1,165,698)</u>
Total Other Financing Sources (Uses)	<u>(1,165,698)</u>
<b>Net Change in Fund Balance</b>	899,044
BEGINNING FUND BALANCE	<u>78,093</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 977,137</u>

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

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

For the Year Ended December 31, 2020  
and From the Date of Creation Through December 31, 2020

	2020	Total From Date of Creation
<b>PROJECT COSTS</b>		
Capital expenditures	\$ -	\$ 18,980,961
Engineering	750	322,784
Administration	1,522	1,216,979
Planning, legal, and consulting	-	1,523,991
Relocation costs	-	134,707
Developer and business recruitment	-	126,095
Interest and fiscal charges	-	5,920,258
Debt issuance costs and discounts	1,083,016	300,542
Transfers out	-	178,100
Total Project Costs	1,085,288	28,704,417
<b>PROJECT REVENUES</b>		
Tax increment	2,009,109	24,749,957
Exempt computer aid	43,854	906,490
Investment income	14,051	650,016
Miscellaneous revenues	-	209,179
Premium on long-term debt	-	405,147
Transfers in	-	512,236
Total Project Revenues	2,067,014	27,433,025
<b>NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2020</b>	<b>\$ (981,726)</b>	<b>\$ 1,271,392</b>
Reconciliation of Recoverable Costs		
Long-term debt		\$ 2,248,456
Less: Fund balance		(977,137)
Net Costs Recoverable (Recovered) Through Tax Increments - December 31, 2020		\$ 1,271,319

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

For the Year Ended December 31, 2020  
and From the Date of Creation Through December 31, 2020

	<u>2020</u>	<u>Total From Date of Creation</u>
<b>SOURCES OF FUNDS</b>		
Tax increment	\$ 2,009,109	\$ 24,749,957
Exempt computer aid	43,854	906,490
Investment income	14,051	650,016
Miscellaneous revenues	-	209,179
Proceeds from bond anticipation notes	-	9,315,000
Proceeds from long-term debt	-	21,951,639
Proceeds from capital lease payable	-	2,965,000
Premium on long-term debt	-	405,147
Transfers in	-	512,236
Total Sources of Funds	<u>2,067,014</u>	<u>61,664,664</u>
<b>USES OF FUNDS</b>		
Capital expenditures	\$ -	\$ 18,980,961
Engineering	750	322,784
Administration	1,522	1,216,979
Planning, legal and consulting	-	1,523,991
Relocation costs	-	134,707
Developer and business recruitment	-	126,095
Principal on bond anticipation notes	-	9,315,000
Principal on long-term debt	1,083,016	19,703,110
Principal on capital lease	-	2,965,000
Interest and fiscal charges	82,682	5,920,258
Debt issuance costs and discounts	-	300,542
Transfers out	-	178,100
Total Uses of Funds	<u>1,167,970</u>	<u>60,687,527</u>
Net Change in Fund Balance	899,044	977,137
BEGINNING FUND BALANCE	<u>78,093</u>	<u>-</u>
<b>ENDING FUND BALANCE</b>	<u>\$ 977,137</u>	<u>\$ 977,137</u>

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation Through December 31, 2020

	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<b>SOURCES OF FUNDS</b>										
Tax increment	\$ -	\$ -	\$ -	\$ -	\$ 161,948	\$ 241,976	\$ 236,439	\$ 357,132	\$ 470,905	\$ 518,232
Exempt computer aid	-	-	-	-	-	-	10,928	14,618	13,057	43,079
Investment income	-	47,625	55,000	-	5,770	6,002	15,545	11,480	-	19,711
Miscellaneous revenues	-	-	-	-	-	5,000	5,080	1,425	-	-
Proceeds from bond anticipation notes	-	1,500,000	2,545,000	-	-	-	-	-	-	5,270,000
Proceeds from long-term debt	-	-	-	254,000	-	-	165,000	-	250,000	-
Proceeds from capital lease	-	-	-	-	2,965,000	-	-	-	-	-
Premium on long-term debt	-	-	-	-	-	-	-	-	-	10,179
Transfers in	-	-	-	-	-	-	-	-	-	-
<b>Total Sources of Funds</b>	<b>-</b>	<b>1,547,625</b>	<b>2,600,000</b>	<b>254,000</b>	<b>3,132,718</b>	<b>252,978</b>	<b>432,992</b>	<b>384,655</b>	<b>733,962</b>	<b>5,861,201</b>
<b>USES OF FUNDS</b>										
Capital expenditures	-	520,888	1,824,735	62,020	51,317	168,023	74,633	56,119	341,559	949,362
Engineering	2,847	128,910	129,760	11,429	-	-	-	-	-	-
Administrative	-	9,296	72,493	11,100	13,247	8,713	15,544	2,641	29,636	32,891
Planning, legal, and consulting	18,999	15,840	-	13,721	8,051	30,712	8,818	21,296	45,279	87,740
Relocation costs	-	-	-	-	-	4,043	49,756	4,050	34,989	36,892
Developer and business recruitment	-	-	-	-	-	-	-	-	-	-
Principal on bond anticipation notes	-	-	1,500,000	-	2,545,000	-	-	-	-	-
Principal on long-term debt	-	-	-	-	-	19,303	23,898	62,978	312,821	75,000
Principal on capital lease	-	-	-	-	-	-	-	320,000	335,000	345,000
Interest and fiscal charges	-	25,964	81,053	127,054	171,788	144,047	139,452	146,928	129,834	127,509
Debt issuance costs and discounts	-	7,125	21,082	-	57,475	-	-	-	4,433	35,850
Transfers out	-	-	-	-	-	-	-	-	-	-
<b>Total Uses of Funds</b>	<b>21,846</b>	<b>708,023</b>	<b>3,629,123</b>	<b>225,324</b>	<b>2,846,878</b>	<b>374,841</b>	<b>312,101</b>	<b>614,012</b>	<b>1,233,551</b>	<b>1,690,244</b>

FUND BALANCE - END OF YEAR



**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation Through December 31, 2020

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>SOURCES OF FUNDS</b>										
Tax increment	\$ 609,783	\$ 733,372	\$ 1,025,336	\$ 1,116,156	\$ 1,327,520	\$ 1,338,277	\$ 1,196,375	\$ 1,361,260	\$ 3,239,651	\$ 72,228
Exempt computer aid	104,113	77,440	37,169	67,837	67,617	119,810	45,084	45,335	25,177	22,958
Investment income	37,900	78,216	44,720	20,528	39,100	9,254	34,267	17,151	32,840	22,965
Miscellaneous revenues	-	585	550	-	35,000	1,563	600	4,605	14,392	13,295
Proceeds from bond anticipation notes	-	-	-	-	-	-	-	-	-	-
Proceeds from long-term debt	-	3,735,000	-	-	3,520,000	-	6,302,839	-	1,010,000	4,849,800
Proceeds from capital lease	-	-	-	-	-	-	-	-	-	-
Premium on long-term debt	-	-	-	-	-	-	-	-	18,143	182,421
Transfers in	-	-	-	-	5,000	45,886	400,000	61,350	-	-
<b>Total Sources of Funds</b>	<b>751,796</b>	<b>4,624,613</b>	<b>1,107,775</b>	<b>1,204,521</b>	<b>4,994,237</b>	<b>1,514,790</b>	<b>7,979,165</b>	<b>1,489,701</b>	<b>4,340,203</b>	<b>5,163,667</b>
<b>USES OF FUNDS</b>										
Capital expenditures	424,033	4,811	70,024	2,144,436	1,440,365	1,322,061	4,528,655	2,165,225	869,452	165,108
Engineering	-	-	-	-	-	-	-	-	19,490	-
Administrative	28,024	51,832	50,043	82,803	87,325	68,772	68,765	104,915	116,170	132,550
Planning, legal, and consulting	49,724	126,217	350,253	265,536	288,210	-	110,174	-	-	43,875
Relocation costs	1,759	1,355	1,863	-	-	-	-	-	-	-
Developer and business recruitment	-	-	-	-	-	48,800	48,986	-	7,759	7,755
Principal on bond anticipation notes	-	5,270,000	-	-	-	-	-	-	-	-
Principal on long-term debt	75,000	30,000	35,000	215,000	190,000	300,000	335,000	375,000	619,486	5,668,281
Principal on capital lease	345,000	380,000	395,000	415,000	430,000	-	-	-	-	-
Interest and fiscal charges	200,181	184,267	180,200	208,691	245,785	262,158	370,779	436,521	419,033	666,573
Debt issuance costs and discounts	-	26,500	-	-	29,406	-	106,544	-	12,127	-
Transfers out	-	-	-	-	15,000	52,700	10,000	20,000	12,000	12,000
<b>Total Uses of Funds</b>	<b>1,123,721</b>	<b>6,074,982</b>	<b>1,082,383</b>	<b>3,331,466</b>	<b>2,726,091</b>	<b>2,054,491</b>	<b>5,578,903</b>	<b>3,101,661</b>	<b>2,075,517</b>	<b>1,458,410</b>

FUND BALANCE - END OF YEAR

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS

From Date of Creation Through December 31, 2020

	2018	2019	2020	From date of Creation
<b>SOURCES OF FUNDS</b>				
Tax increment	\$ 1,729,051	\$ 1,935,451	\$ 2,009,109	\$ 24,749,957
Exempt computer aid	23,250	24,720	43,854	906,490
Investment income	19,121	17,238	14,051	650,016
Miscellaneous revenues	29,352	-	-	209,179
Proceeds from bond anticipation notes	-	-	-	9,315,000
Proceeds from long-term debt	-	-	-	21,951,639
Proceeds from capital lease	-	-	-	2,965,000
Premium on long-term debt	-	-	-	405,147
Transfers in	-	-	-	512,236
Total Sources of Funds	<u>1,800,774</u>	<u>1,977,409</u>	<u>2,067,014</u>	<u>61,664,664</u>
<b>USES OF FUNDS</b>				
Capital expenditures	-	5,600	-	18,980,961
Engineering	1,325	1,514	750	322,784
Administrative	1,480	1,470	1,522	1,216,979
Planning, legal, and consulting	-	-	-	1,523,991
Relocation costs	-	-	-	134,707
Developer and business recruitment	-	-	-	126,095
Principal on bond anticipation notes	-	-	-	9,315,000
Principal on long-term debt	1,313,840	2,625,927	1,083,016	19,703,110
Principal on capital lease	-	-	-	2,965,000
Interest and fiscal charges	224,285	149,320	82,682	5,920,258
Debt issuance costs and discounts	-	-	-	300,542
Transfers out	-	-	-	178,100
Total Uses of Funds	<u>1,540,930</u>	<u>2,783,831</u>	<u>1,167,970</u>	<u>60,687,527</u>
FUND BALANCE - END OF YEAR				<u>\$ 977,137</u>

**VILLAGE OF SHOREWOOD  
TAX INCREMENTAL DISTRICT NO. 1**

DETAILED SCHEDULE OF CAPITAL EXPENDITURES

From Date of Creation Through December 31, 2020

	2020	Total From Date of Creation	Project Plan Estimate
Capital Expenditures			
Oakland Avenue reconstruction	\$ -	\$ 2,694,795	\$ 1,170,000
Capital Drive reconstruction	-	1,015,107	650,000
Street amenities	-	5,475,190	1,786,000
Public plazas	-	59,111	200,000
Urban landscaping	-	49,113	25,000
Traffic signals and signs	-	323,233	200,000
Specialized maintenance equipment	-	79,997	80,000
Demolition, alteration, or remodeling	-	676,880	65,000
Environmental remediation costs	-	91,238	20,000
Land purchase	-	1,759,213	1,155,000
Clearing and grading of land	-	-	30,000
Real property assembly, demolition	-	-	6,601,353
Bridge replacement	-	259,329	250,000
Parking facilities construction	-	8,680	1,585,000
Public improvements	-	-	1,900,000
Business assistance/loan program	-	858,196	1,600,000
Redevelopment projects	-	-	6,300,000
Improvements			
Façade program	-	2,091,988	626,647
Incentive program	-	-	300,000
Comprehensive parking study	-	-	120,000
Development incentives (developer/tenants)	-	2,983,460	1,322,000
Intermunicipal contributions	-	104,748	105,000
Tenant build-out incentives	-	450,683	100,000
Total Capital Expenditures	<u>\$ -</u>	<u>\$ 18,980,961</u>	<u>\$ 26,191,000</u>
Professional fees	750	322,784	900,000
Administration	1,522	1,216,979	257,000
Planning, legal and consulting	-	1,523,991	-
Relocation costs	-	134,707	80,000
Developer and business recruitment	-	126,095	-
Principal on bond anticipation note	-	9,315,000	-
Principal on long-term debt	1,083,016	19,708,182	-
Principal on capital lease	-	2,965,000	-
Interest and fiscal charges	82,682	5,915,186	-
Debt issuance costs and discounts	-	300,542	155,400
Transfer out	-	178,100	-
TOTALS	<u>\$ 1,167,970</u>	<u>\$ 41,706,566</u>	<u>\$ 27,583,400</u>

13400 Bishops Lane, Suite 300  
Brookfield, WI 53005  
262.754.9400

**SIKICH.COM**

## **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. 1 (the District), as of and for the year ended December 31, 2020, and we have issued our report thereon dated April 28, 2021.

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 28, 2021