

VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1
YORKVILLE, WISCONSIN
FINANCIAL STATEMENTS
From Date of Creation
Through December 31, 2022

VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1

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From Date of Creation Through December 31, 2022

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INDEPENDENT AUDITORS' REPORT

Independent Auditors' Report

To the Village Board
Village of Yorkville
Yorkville, Wisconsin

Opinion

We have audited the accompanying financial statements of the Village of Yorkville's Tax incremental District No. 1 (District), which comprise the balance sheet as of December 31, 2022, and the related 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 from the date the District was created through December 31, 2022 and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Village of Yorkville's Tax Incremental District No. 1 as of December 31, 2022, and the related 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 from the creation date of the District through December 31, 2022 in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Village of Yorkville's Tax Incremental District No. 1, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue and accounting principles generally accepted in the United States of America. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Village Board
Village of Yorkville
Yorkville, Wisconsin

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Village of Yorkville's Tax Incremental District No. 1 internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Emphasis of Matter

As discussed on Note 1, the financial statements present only the Village of Yorkville's Tax Incremental District No. 1 and do not purport to, and do not, present fairly the financial position of the Village of Yorkville, Wisconsin as of December 31, 2022 or the changes in its financial position in accordance with the financial reporting provisions of accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Information

Management is responsible for the other information included in this annual financial report. The other information comprises the detailed summary of sources, uses and status of funds and detailed summary of project costs but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does 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.

Other Reporting Required by Tax Incremental District Laws and Regulations

In accordance with tax incremental district laws and regulations, we have also issued our report dated October 12, 2023 on our tests of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, WI
October 12, 2023

FINANCIAL STATEMENTS

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

Balance Sheet
December 31, 2022

ASSETS

Cash and Investments	\$ 281,703
Taxes Receivable	<u>619,022</u>
TOTAL ASSETS	<u>\$ 900,725</u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES
AND FUND BALANCE (DEFICIT)**

Liabilities

Due to Local Governments	\$ 200,000
Due to Other Funds	2,917,538
Advances From Other Funds	<u>993,468</u>
Total Liabilities	<u>4,111,006</u>

Deferred Inflows of Resources

Taxes Levied for Subsequent Year	<u>900,725</u>
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Fund Balance (Deficit)

Unassigned (Deficit)	<u>(4,111,006)</u>
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**TOTAL LIABILITIES, DEFERRED INFLOWS OF
RESOURCES AND FUND BALANCE (DEFICIT)**

\$ 900,725

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

Historical Summary of Project Costs, Project Revenues, and
Net Costs to be Recovered Through Tax Increments
From Date of Creation Through December 31, 2022

Project Costs

Capital Expenditures	\$ 4,416,505
Planning/ Engineering	471,064
Administration	<u>70,836</u>
Total Project Costs	<u><u>4,958,405</u></u>

Project Revenues

Tax Increments	<u>847,399</u>
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Net Cost Recoverable Through Tax Increments

\$ 4,111,006

VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1
Historical Summary of Sources, Uses, and Status of Funds
From Date of Creation Through December 31, 2022

Sources of Funds

Tax Increments	\$ 847,399
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Uses of Funds

Capital Expenditures	4,416,505
Planning/ Engineering	471,064
Administration	70,836

Total Uses	<u>4,958,405</u>
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Change in Fund Balance	(4,111,006)
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Beginning Fund Balance	<u>-</u>
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Ending Fund Balance	<u><u>\$ (4,111,006)</u></u>
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VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1

Notes to Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Village of Yorkville's Tax Incremental District No. 1 (District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of Yorkville uses the criteria set forth by the Wisconsin Department of Revenue to determine the scope of the reporting entity of Tax Incremental District No. 1. The accompanying financial statements reflect all the significant operations of the Village of Yorkville's Tax Incremental District No. 1.

Description of the District

This report contains the financial information of the Village of Yorkville's Tax Incremental District No. 1. The summary statements were prepared from data recorded in Village of Yorkville's Tax Incremental District Fund.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project costs has been fully recovered, or until 20 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of Yorkville.

<u>Original Project Plan</u>	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 1	9/23/2019	9/23/2039	2040
<u>Plan Amendments</u>	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 1	7/6/2021	9/23/2039	2040

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1

Notes to Financial Statements
December 31, 2022

Note 1 - Summary of Significant Accounting Policies (Continued)

Basis of Accounting (Continued)

Tax increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the District is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

Use of Estimates

The preparation of financial statements in conformity with Wisconsin Department of Revenue requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses for financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current periods are recognized as deferred revenue or as a restriction of fund balance. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the project plan. Those estimates are for the entire life of the District, and may not be comparable to interim results presented in this report.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not liquidated with expendable available financial resources, a liability is shown in the long-term debt footnote disclosure. The related expenditure is recognized when the liability is liquidated.

OTHER INFORMATION

VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1
Detailed Summary 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</u>	<u>Project Plan Estimate</u>
SOURCES OF FUNDS					
Tax Increment	\$ -	\$ 288,696	\$ 558,703	\$ 847,399	\$ 18,736,352
USES OF FUNDS					
Capital Expenditures	843,483	1,583,841	1,989,181	4,416,505	5,773,520
Planning/ Engineering	273,088	92,672	105,304	471,064	650,000
Administration	5,006	40,597	25,233	70,836	217,500
Interest on Long Term Debt	-	-	-	-	1,199,020
Total Uses of Funds	<u>1,121,577</u>	<u>1,717,110</u>	<u>2,119,718</u>	<u>4,958,405</u>	<u>7,840,040</u>
CHANGE IN FUND BALANCE	(1,121,577)	(1,428,414)	(1,561,015)	(4,111,006)	10,896,312
FUND BALANCE (DEFICIT) - BEGINNING	<u>-</u>	<u>(1,121,577)</u>	<u>(2,549,991)</u>	<u>-</u>	<u>-</u>
FUND BALANCE (DEFICIT) - ENDING	<u>\$ (1,121,577)</u>	<u>\$ (2,549,991)</u>	<u>\$ (4,111,006)</u>	<u>\$ (4,111,006)</u>	<u>\$ 10,896,312</u>

VILLAGE OF YORKVILLE
TAX INCREMENTAL DISTRICT NO. 1
Detailed Summary of Project Costs
From Date of Creation Through December 31, 2022

	Actual	Project Plan Estimate
Development and Capital Expenditures		
Infrastructure	\$ 4,416,505	\$ 5,773,520
Administration	70,836	217,500
Planning/ Engineering	471,064	650,000
Interest and Fiscal Charges	-	1,199,020
Total Project Costs	<u>\$ 4,958,405</u>	<u>\$ 7,840,040</u>

OTHER REPORT



Independent Auditors' Report on Compliance

To the Village of Board
Village of Yorkville
Yorkville, Wisconsin

We were engaged to audit the accompanying financial statements of the Village of Yorkville, Wisconsin Tax Incremental District No. 1 (District) which comprise the balance sheet, historical summary of project costs, project revenues and net cost to be recovered through tax increments and historical summary of sources, uses and status of funds as of December 31, 2022 and from the date the District was created through December 31, 2022 and the related notes to the financial statements and have issued our report thereon dated October 12, 2023.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and financial reporting provisions of the Wisconsin Department of Revenue. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with tax increment financing district laws, regulations and the project plan is the responsibility of the Village of Yorkville, Wisconsin's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the Village of Yorkville's compliance with Wisconsin State Statutes Section 66.1105 and the project plan. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the Village of Yorkville, Wisconsin complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Yorkville, Wisconsin had not complied, in all material respects, with those provisions.

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, use by anyone other than the specified parties.

KerberRose SC

KerberRose SC
Certified Public Accountants
Oshkosh, WI
October 12, 2023