

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8
LITTLE CHUTE, WISCONSIN
FINANCIAL STATEMENTS
From Date of Creation
Through December 31, 2021

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8

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From Date of Creation Through December 31, 2021

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Independent Auditors' Report

To the Village Board
Village of Little Chute
Little Chute, Wisconsin

Opinions

We have audited the accompanying financial statements of the Village of Little Chute's Tax incremental District No. 8 (District), which comprise the balance sheet as of December 31, 2021, 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, 2021 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 Little Chute's Tax Incremental District No. 8 as of December 31, 2021, and the project costs, project revenues and net costs to be recovered through tax increments, sources, uses and status of funds from the creation date of the District through December 31, 2021 in accordance with the basis of financial reporting provisions of the Wisconsin Department of Revenue.

Basis for Opinions

We conducted our audit in accordance with financial reporting provisions of the Wisconsin Department of Revenue. 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 Little Chute's Tax Incremental District No. 8, 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 opinions.

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. 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Little Chute's Tax Incremental District No. 8 ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 opinions. 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.

To the Village Board
Village of Little Chute
Little Chute, Wisconsin

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.

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 Little Chute's Tax Incremental District No. 8 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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Village of Little Chute's Tax Incremental District No. 8's ability to continue as a going concern for a reasonable period of time.

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 Little Chute's Tax Incremental District No. 8 and do not purport to, and do not, present fairly the financial position of the Village of Little Chute, Wisconsin as of December 31, 2021 or the changes in its financial position from the date of creation through December 31, 2021 in accordance with the financial reporting provisions of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

Other Matters

Our audit was conducted for the purpose of forming an opinion on the financial statements that comprise the Village of Little Chute's Tax Incremental District No. 8's financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

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 July 11, 2022 on our test 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

KerberRose SC
Certified Public Accountants
Shawano, WI
July 11, 2022

FINANCIAL STATEMENTS

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8
Balance Sheet
December 31, 2021

ASSETS

Cash and Investments	\$ 128,018
Land Held for Resale	619,193
Restricted Cash and Investments	<u>1,019,414</u>
TOTAL ASSETS	<u><u>\$ 1,766,625</u></u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 1,386
Other Accrued Liabilities	1,196
Advances from the Village of Little Chute	<u>371,000</u>
Total Liabilities	<u>373,582</u>
Fund Balance	<u>1,393,043</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 1,766,625</u></u>

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8
Historical Summary of Project Costs, Project Revenues, and
Net Costs to be Recovered Through Tax Increments
From Date of Creation Through December 31, 2021

	From Date of Creation
Project Costs	
Capital Expenditures	\$ 986,012
Administration	77,106
Interest and Fiscal Charges	75,377
Interest on Advances	10,180
Total Project Costs	1,148,675
Project Revenues	
Tax Increments	137,567
Interest Income	10,016
Intergovernmental	4
Miscellaneous Revenues	549
Sale of Property	1
Total Revenues	148,137
Net Cost Recoverable Through TIF Increments - December 31, 2021	\$ 1,000,538

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8
Historical Summary of Sources, Uses, and Status of Funds
From Date of Creation Through December 31, 2021

	From Date of Creation
Sources of Funds	
Tax Increments	\$ 137,567
Intergovernmental	4
Interest Income	10,016
Sale of Property	1
Miscellaneous Revenues	549
Premium on Debt	27,679
Proceeds from Long-Term Debt	2,650,191
Total Sources	2,826,007
Uses of Funds	
Capital Expenditures	986,012
Administration	77,106
Interest and Fiscal Charges	85,557
Debt Issuance Costs	28,328
Principal on Long-Term Debt	255,961
Total Uses	1,432,964
Excess of Revenues over Expenditures	1,393,043
Beginning Fund Balance	-
Ending Fund Balance	\$ 1,393,043

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8

Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies

The accounting policies of the Village of Little Chute’s Tax Incremental District No. 8 (District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of Little Chute uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the reporting entity of Tax Incremental District No. 8. The accompanying financial statements reflect all the significant operations of the Village of Little Chute’s Tax Incremental District No. 8.

Description of the District

This report contains the financial information of the Village of Little Chute’s Tax Incremental District No. 8. The summary statements were prepared from data recorded in the following funds and the Village’s long-term debt:

- General Fund
- Debt Service Fund
- Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village of Little Chute’s basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

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 cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of Little Chute.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 8	7/18/2018	7/18/2040	2046

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8

Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

District 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 financial reporting provisions of the 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 reservation of fund equity. 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.

Long-Term Debt

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Advances from Village

During the course of operations, transactions occur between the District and the Village of Little Chute that may result in amounts owed between funds. Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds."

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8

Notes to Financial Statements
December 31, 2021

Note 1 - Summary of Significant Accounting Policies (Continued)

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.

Note 2 - Long-Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village of Little Chute. General obligation notes and bonds and revenue bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the TID No. 8 Fund. If those revenues are not sufficient, payments will be made by future tax levies or TID revenues, as applicable.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Repaid	Balance 12/31/2021
2017B General Obligation Notes	8/9/17	8/1/27	1.15-3.00%	\$ 617,191	\$ 210,961	\$ 406,230
2019A General Obligation Notes	8/8/19	8/1/29	2.50-3.00%	60,000	5,000	55,000
2020 Private Place,emt	7/15/20	2/1/24	0.850-1.00%	163,000	40,000	123,000
2020A General Obligation Notes	8/26/20	8/1/30	1.00-2.00	1,810,000	-	1,810,000
Totals				<u>\$ 2,650,191</u>	<u>\$ 255,961</u>	<u>\$ 2,394,230</u>

Calendar Year	Principal	Interest	Totals
2022	\$ 107,022	\$ 36,370	\$ 143,392
2023	107,893	34,011	141,904
2024	111,380	31,604	142,984
2025	76,483	29,288	105,771
2026	427,354	26,994	454,348
2027-2030	1,564,098	40,523	1,604,621
Totals	<u>\$ 2,394,230</u>	<u>\$ 198,790</u>	<u>\$ 2,593,020</u>

Note 3 – Advances from Village

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Purpose
Village - General Fund	TID No. 8	<u>\$ 371,000</u>	To Fund Capital Expenditures

SUPPLEMENTARY INFORMATION

**VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8**

Detailed Summary of Sources, Uses and Status of Funds
From Date of Creation Through December 31, 2021

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>	<u>Project Plan Estimate</u>
SOURCES OF FUNDS						
Tax Increment	\$ -	\$ -	\$ 10,955	\$ 126,612	\$ 137,567	\$ 2,980,100
Intergovernmental	-	-	4	-	4	-
Interest Income	-	498	5,227	4,291	10,016	19,668
Sale of Property	1	-	-	-	1	-
Miscellaneous Revenues	-	-	-	549	549	68,475
Premium on Debt	-	440	27,239	-	27,679	-
Proceeds from Long-Term Debt	617,191	60,000	1,973,000	-	2,650,191	2,235,000
Total Sources of Funds	<u>617,192</u>	<u>60,938</u>	<u>2,016,425</u>	<u>131,452</u>	<u>2,826,007</u>	<u>5,303,243</u>
USES OF FUNDS						
Capital Expenditures	516,573	18,020	34,601	416,818	986,012	2,120,000
Administration	18,113	12,228	20,719	26,046	77,106	70,689
Interest on Long Term Debt	7,037	19,490	16,031	32,819	75,377	1,116,747
Interest on Advances	-	-	1,800	8,380	10,180	-
Debt Issuance Costs	-	1,089	27,239	-	28,328	115,000
Principal on Long-Term Debt	7,177	75,638	63,637	109,509	255,961	2,235,000
Total Uses of Funds	<u>548,900</u>	<u>126,465</u>	<u>164,027</u>	<u>593,572</u>	<u>1,432,964</u>	<u>5,657,436</u>
CHANGE IN FUND BALANCE	68,292	(65,527)	1,852,398	(462,120)	1,393,043	(354,193)
FUND BALANCE (DEFICIT) - BEGINNING	-	68,292	2,765	1,855,163	-	-
FUND BALANCE (DEFICIT) - ENDING	<u>\$ 68,292</u>	<u>\$ 2,765</u>	<u>\$ 1,855,163</u>	<u>\$ 1,393,043</u>	<u>\$ 1,393,043</u>	<u>\$ (354,193)</u>

VILLAGE OF LITTLE CHUTE
TAX INCREMENTAL DISTRICT NO. 8
Detailed Summary of Project Costs
From Date of Creation Through December 31, 2021

	Actual	Project Plan Estimate
Development and Capital Expenditures		
Storm Sewers	\$ 907,413	\$ 960,000
Property Acquisition	14,267	400,000
Environmental Remediation	12,700	100,000
Streets	51,632	660,000
Administrative Costs	77,106	70,689
Principal	255,961	2,235,000
Interest and Fiscal Charges	113,885	1,231,747
Total Project Costs	\$ 1,432,964	\$ 5,657,436

OTHER REPORT

Independent Auditors' Report on Compliance

To the Village Board
Village of Little Chute
Little Chute, Wisconsin

We have audited the accompanying balance sheet, historical summary of project costs, project revenues and net cost to be recovered through tax increments and the related historical summary of sources, uses and status of funds of the Village of Little Chute, Wisconsin. Wisconsin Tax Incremental District No. 8 (District) as of December 31, 2021 and from the date the District was created through December 31, 2021 and have issued our report thereon dated July 11, 2022.

We conducted our audit in accordance with 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 Little Chute, Wisconsin 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 Little Chute'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 Little Chute, 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 Little Chute, 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

KerberRose SC
Certified Public Accountants
Shawano, WI
July 11, 2022