

**CITY OF TWO RIVERS WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4**

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

**PERIOD ENDED FEBRUARY 7, 2022 AND FROM DATE OF
CREATION THROUGH FEBRUARY 7, 2022**



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**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
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FEBRUARY 7, 2022**

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INDEPENDENT AUDITORS' REPORT

City Council
City of Two Rivers, Wisconsin
Two Rivers, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the City of Two Rivers Tax Incremental District Number 4 (the District), which comprise the balance sheet as of as of February 7, 2022, and the related 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 for the period ended February 7, 2022 and from the date the District was created through February 7, 2022, and the related notes to the financial statements, which collectively comprise the District's financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position as of February 7, 2022, and 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 for the period ended February 7, 2022 and from the date the District was created through February 7, 2022 on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the District 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.

Emphasis of Matters

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP), to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the City of Two Rivers Tax Incremental District Number 4 and do not purport to, and do not, present fairly the financial position of the City of Two Rivers, Wisconsin as of February 7, 2022, or the changes in its financial position from the date of creation through February 7, 2022, in accordance with U.S. GAAP. Our opinion is not modified with respect to this matter

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, as described in Note 1. 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 fraud or error.

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 GAAS 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.

In performing an audit in accordance with GAAS, 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 the District's 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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

In accordance with tax incremental district laws and regulations, we have also issued our report dated January 12, 2023 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

Restriction on Use

This report is intended solely for the information and use of City of Two Rivers, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Sheboygan, Wisconsin
January 12, 2023

FINANCIAL STATEMENTS

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
BALANCE SHEET
FEBRUARY 7, 2022**

ASSETS

Cash and Investments	<u>\$ 27,807</u>
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LIABILITIES AND FUND BALANCE

LIABILITIES

Accounts Payable	\$ 5,750
Due to Other Taxing Entities	<u>22,057</u>
Total Liabilities	27,807

FUND BALANCE

Restricted	<u>-</u>
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Total Liabilities and Fund Balance	<u>\$ 27,807</u>
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See accompanying Notes to Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND
NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
PERIOD ENDED FEBRUARY 7, 2022 AND FROM DATE OF CREATION
THROUGH FEBRUARY 7, 2022**

	<u>2022</u>	<u>From Date of Creation Through February 7, 2022</u>
PROJECT COSTS		
Capital Expenditures	\$ -	\$ 741,807
Administration	5,750	21,215
Principal on Long-Term Debt	-	101,000
Interest and Fiscal Charges	-	99,189
Refund to Overlying Districts	22,057	22,057
Transfer to Affordable Housing Fund	49,647	49,647
Total Project Costs	<u>77,454</u>	<u>1,034,915</u>
PROJECT REVENUES		
Tax Increments	49,647	807,797
Intergovernmental	1,444	7,524
Developer Contribution	-	118,594
Proceeds from Long-Term Debt	-	101,000
Total Project Revenues	<u>51,091</u>	<u>1,034,915</u>
PROJECT COSTS IN EXCESS OF PROJECT REVENUES	<u><u>\$ 26,363</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
PERIOD ENDED FEBRUARY 7, 2022 AND FROM DATE OF CREATION
THROUGH FEBRUARY 7, 2022**

	<u>2022</u>	<u>From Date of Creation Through February 7, 2022</u>
SOURCES OF FUNDS		
Tax Increments	\$ 49,647	\$ 807,797
Intergovernmental	1,444	7,524
Developer Contribution	-	118,594
Proceeds from Long-term Debt	-	101,000
Total Sources of Funds	<u>51,091</u>	<u>1,034,915</u>
USES OF FUNDS		
Capital Expenditures	-	741,807
Administration	5,750	21,215
Principal on Long-Term Debt	-	101,000
Interest and Fiscal Charges	-	99,189
Refund to Overlying Districts	22,057	22,057
Transfer to Affordable Housing Fund	49,647	49,647
Total Uses of Funds	<u>77,454</u>	<u>1,034,915</u>
NET CHANGE IN FUND BALANCE	(26,363)	-
Fund Balance - Beginning of Period	<u>26,363</u>	<u>-</u>
FUND BALANCE - END OF PERIOD	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 7, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Two Rivers Tax Incremental District Number 4 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Two Rivers in preparing the financial statements of the District are described below.

The District uses the criteria set forth by GASB to determine the scope of the reporting entity.

A. Reporting Entity

This report contains the financial statements of the City of Two Rivers Tax Incremental District Number 4. The accompanying financial statements do not include the full presentation of the financial statements of the City of Two Rivers, Wisconsin, and do not purport to represent the financial position or changes in financial position of the City of Two Rivers. The financial statements of the District were prepared from data recorded in the District's capital project fund of the City and are presented in a format prescribed by the Wisconsin Department of Revenue.

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 the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 27 years. Project costs uncollected at the dissolution date were absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	5/26/1994
Latest Date to Incur Project Expenditures	5/26/2016
Latest Termination Date	2/15/2022
Actual Termination Date	2/7/2022

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 7, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting

The District's financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

C. Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District.

	Creation/ Adoption Date	Approved Project Costs
Original Project Plan	5/26/1994	\$ 1,070,787
Plan Amendment #1	9/17/2007	341,718
Plan Amendment #2	9/23/2014	360,000
Final Project Plan Costs		<u>\$ 1,772,505</u>

D. Use of Estimates

The preparation of financial statements in conformity with accounting 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 expenditures during the reporting period. Actual results could differ from those estimates.

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 7, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

2. Property Taxes

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2021 follows:

<u>Current Value</u>	<u>Base Value</u>	<u>Increment Value</u>
\$ 3,273,300	\$ 1,146,900	\$ 2,126,400

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 7, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

F. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)

3. Long-Term Obligations

The District recognized bond premiums and discounts, as well as bond issuance costs, during the period when received or paid. The face amount of debt issued was reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums received, discounts on debt issuance, issuance costs and interest on long-term debt are considered financing costs recoverable from revenues of the District.

4. Fund Balance

Fund balance is reported in various categories for TID funds based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Unassigned fund balance.** Only deficit amounts are shown in this category.

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 7, 2022**

NOTE 2 CASH AND INVESTMENTS

The District invests in funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) and 67.11(2).

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Two Rivers as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

NOTE 3 LONG-TERM OBLIGATIONS

During the life of the District, the City issued general obligation debt backed by the full faith and credit of the City to finance District project plan expenditures. The debt issued by the District was retired by future tax increments.

The following is a summary of changes in long-term obligations for the District from the date of creation through February 7, 2022:

	<u>Date of Creation</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 2/7/22</u>	<u>Due Within One Year</u>
General Obligation Debt:					
Direct Borrowing					
State Trust Fund Loans	\$ -	\$ 101,000	\$ 101,000	\$ -	\$ -
Total General Obligation Debt	<u>\$ -</u>	<u>\$ 101,000</u>	<u>\$ 101,000</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 4 REFUND TO OVERLYING DISTRICTS

The refund to overlying districts of \$22,057 is calculated based on increments collected in excess of project costs using the ratio of taxes from the 2021 Tax Increment Worksheet. A summary of the total due, along with each overlying district's portion, are as follows:

	<u>Percentage of Tax Base</u>	<u>Total Refund</u>
Manitowoc County	20.505%	\$ 4,523
School District of Two Rivers	36.113%	7,965
Lakeshore Technical College	3.117%	687
City of Two Rivers	40.265%	8,882
Grand Total	<u>100.000%</u>	<u>\$ 22,057</u>

SUPPLEMENTARY INFORMATION

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD MAY 26, 1994 THROUGH FEBRUARY 7, 2022**

	1994	1995	1996	1997	1998	1999	2000
REVENUES							
Tax Increments	\$ -	\$ -	\$ 11,386	\$ 20,552	\$ 24,555	\$ 29,457	\$ 26,046
Intergovernmental	-	-	-	-	-	-	-
Developer Contribution	-	-	-	-	-	-	-
Proceeds from Long-term Debt	-	101,000	-	-	-	-	-
Total Revenues	-	101,000	11,386	20,552	24,555	29,457	26,046
EXPENDITURES							
Capital Outlay	202,634	31,920	22,784	-	-	-	1,049
Administration	-	-	-	-	-	-	-
Developer Incentive Payments	-	-	-	-	-	-	-
Transfer to Affordable Housing Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	2,691	9,138	9,648	10,174
Interest and Fiscal Charges	-	-	-	11,931	5,484	4,974	4,448
Refund to Overlying Districts	-	-	-	-	-	-	-
Total Expenditures	202,634	31,920	22,784	14,622	14,622	14,622	15,671
NET CHANGE IN FUND BALANCE	(202,634)	69,080	(11,398)	5,930	9,933	14,835	10,375
Fund Balance (Deficit) - Beginning of Period	-	(202,634)	(133,554)	(144,952)	(139,022)	(129,089)	(114,254)
FUND BALANCE (DEFICIT) - END OF PERIOD	\$ (202,634)	\$ (133,554)	\$ (144,952)	\$ (139,022)	\$ (129,089)	\$ (114,254)	\$ (103,879)

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD MAY 26, 1994 THROUGH FEBRUARY 7, 2022**

	2001	2002	2003	2004	2005	2006	2007
REVENUES							
Tax Increments	\$ 29,921	\$ 29,674	\$ 29,547	\$ 91,467	\$ 38,528	\$ 27,075	\$ 26,902
Intergovernmental	-	-	-	-	-	2	2
Developer Contribution	-	-	-	-	-	10,742	11,041
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Total Revenues	29,921	29,674	29,547	91,467	38,528	37,819	37,945
EXPENDITURES							
Capital Outlay	-	2,278	-	488	-	-	58,004
Administration	-	-	-	-	-	-	-
Developer Incentive Payments	-	-	-	-	-	-	-
Transfer to Affordable Housing Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	10,753	25,974	12,801	19,821	-	-	-
Interest and Fiscal Charges	3,869	3,270	1,821	42,259	505	-	-
Refund to Overlying Districts	-	-	-	-	-	-	-
Total Expenditures	14,622	31,522	14,622	62,568	505	-	58,004
NET CHANGE IN FUND BALANCE	15,299	(1,848)	14,925	28,899	38,023	37,819	(20,059)
Fund Balance (Deficit) - Beginning of Period	(103,879)	(88,580)	(90,428)	(75,503)	(46,604)	(8,581)	29,238
FUND BALANCE (DEFICIT) - END OF PERIOD	\$ (88,580)	\$ (90,428)	\$ (75,503)	\$ (46,604)	\$ (8,581)	\$ 29,238	\$ 9,179

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD MAY 26, 1994 THROUGH FEBRUARY 7, 2022**

	2008	2009	2010	2011	2012	2013	2014
REVENUES							
Tax Increments	\$ 6,667	\$ 17,580	\$ 19,922	\$ 13,870	\$ 12,946	\$ 12,325	\$ 12,082
Intergovernmental	7	45	29	15	13	8	22
Developer Contribution	11,255	10,987	20,739	10,470	-	10,104	10,338
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Total Revenues	17,929	28,612	40,690	24,355	12,959	22,437	22,442
EXPENDITURES							
Capital Outlay	64,350	12,089	-	-	5,300	-	121,597
Administration	-	-	150	150	150	150	7,589
Developer Incentive Payments	-	-	-	-	-	-	-
Transfer to Affordable Housing Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	744	-	-	-	-	1,010
Refund to Overlying Districts	-	-	-	-	-	-	-
Total Expenditures	64,350	12,833	150	150	5,450	150	130,196
NET CHANGE IN FUND BALANCE	(46,421)	15,779	40,540	24,205	7,509	22,287	(107,754)
Fund Balance (Deficit) - Beginning of Period	9,179	(37,242)	(21,463)	19,077	43,282	50,791	73,078
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ (37,242)</u>	<u>\$ (21,463)</u>	<u>\$ 19,077</u>	<u>\$ 43,282</u>	<u>\$ 50,791</u>	<u>\$ 73,078</u>	<u>\$ (34,676)</u>

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD MAY 26, 1994 THROUGH FEBRUARY 7, 2022**

	2015	2016	2017	2018	2019	2020	2021
REVENUES							
Tax Increments	\$ 11,409	\$ 36,088	\$ 48,643	\$ 46,854	\$ 45,057	\$ 45,692	\$ 43,905
Intergovernmental	13	44	768	780	1,026	1,444	1,862
Developer Contribution	11,630	11,288	-	-	-	-	-
Proceeds from Long-term Debt	-	-	-	-	-	-	-
Total Revenues	<u>23,052</u>	<u>47,420</u>	<u>49,411</u>	<u>47,634</u>	<u>46,083</u>	<u>47,136</u>	<u>45,767</u>
EXPENDITURES							
Capital Outlay	136,297	55,016	14,332	13,669	-	-	-
Administration	6,376	150	150	150	150	150	150
Developer Incentive Payments	-	-	-	-	-	-	-
Transfer to Affordable Housing Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	5,835	5,208	4,340	2,931	560	-
Refund to Overlying Districts	-	-	-	-	-	-	-
Total Expenditures	<u>142,673</u>	<u>61,001</u>	<u>19,690</u>	<u>18,159</u>	<u>3,081</u>	<u>710</u>	<u>150</u>
NET CHANGE IN FUND BALANCE	(119,621)	(13,581)	29,721	29,475	43,002	46,426	45,617
Fund Balance (Deficit) - Beginning of Period	(34,676)	(154,297)	(167,878)	(138,157)	(108,682)	(65,680)	(19,254)
FUND BALANCE (DEFICIT) - END OF PERIOD	<u>\$ (154,297)</u>	<u>\$ (167,878)</u>	<u>\$ (138,157)</u>	<u>\$ (108,682)</u>	<u>\$ (65,680)</u>	<u>\$ (19,254)</u>	<u>\$ 26,363</u>

**CITY OF TWO RIVERS, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 4
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD MAY 26, 1994 THROUGH FEBRUARY 7, 2022**

	2022	Total	Original Project Plan	Plan Amendment 1	Plan Amendment 2	Total Project Plan
REVENUES						
Tax Increments	\$ 49,647	\$ 807,797	\$ 460,275	\$ 75,867	\$ 333,045	\$ 869,187
Intergovernmental	1,444	7,524	-	16,597	-	16,597
Developer Contribution	-	118,594	-	13,086	-	13,086
Proceeds from Long-term Debt	-	101,000	407,100	-	-	407,100
Total Revenues	51,091	1,034,915	867,375	105,550	333,045	1,305,970
EXPENDITURES						
Capital Outlay	-	741,807	378,100	177,000	230,000	785,100
Administration	5,750	21,215	29,000	11,000	30,000	70,000
Developer Incentive Payments	-	-	-	120,000	100,000	220,000
Transfer to Affordable Housing Fund	49,647	49,647	-	-	-	-
Principal on Long-Term Debt	-	101,000	407,100	-	-	407,100
Interest and Fiscal Charges	-	99,189	256,587	33,718	-	290,305
Refund to Overlying Districts	22,057	22,057	-	-	-	-
Total Expenditures	77,454	1,034,915	1,070,787	341,718	360,000	1,772,505
NET CHANGE IN FUND BALANCE	(26,363)	-	\$ (203,412)	\$ (236,168)	\$ (26,955)	\$ (466,535)
Fund Balance (Deficit) - Beginning of Period	26,363	-				
FUND BALANCE (DEFICIT) - END OF PERIOD	\$ -	\$ -				

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR FINANCIAL STATEMENTS**



CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT LAWS AND REGULATIONS

City Council
City of Two Rivers
Two Rivers, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements of the City of Two Rivers, Wisconsin's Tax Incremental District Number 4 (the District), which comprise the balance sheet as of February 7, 2022, and the historical summary of project costs, project revenues, and net cost to be recovered through tax increments and the historical summary of sources, uses, and status of funds for the period ended February 7, 2022, and from the date the District was created through February 7, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 12, 2023.

Compliance with State Statutes Section 66.1105

Wisconsin State Statutes Section 66.1105 covers compliance to be tested related to tax increment financing districts.

In connection with our audit, nothing came to our attention that caused us to believe that the City of Two Rivers, Wisconsin's Tax Incremental District Number 4 failed to comply with the provisions of 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 provisions, insofar as they relate to accounting matters.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the City Council, management, Wisconsin Department of Revenue, and overlapping taxing districts and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

Sheboygan, Wisconsin
January 12, 2023



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