



## TAX INCREMENTAL FINANCIAL JOINT REVIEW BOARD AGENDA

**Date and Time:** Thursday, July 11, 2019 at 11:00AM CDT  
**Location:** City Hall, 101 South Boulevard, Baraboo, WI 53913  
**Room:** C205 *Dennis O Thurrow* Committee Room

**Members:** President's Office of MATC, Dr. Jack Daniels; Baraboo School District, Dr. Lori Mueller & Kevin Vodak; Sauk County, Alene Kleczek Bolin; City of Baraboo, Phil Wedekind; At Large, Patrick Liston

**Others:** Mayor, Mike Palm; City Administrator, Ed Geick; City Finance Director, Cynthia Haggard

### 1. Call to Order:

- a. Roll call of members.
- b. Note Compliance with Open Meeting Law.
- c. Approve minutes – July 10, 2017.
- d. Approve agenda.

### 2. Informational Items:

- a. Review annual reports and review the performance and status of the Open Tax Incremental Districts:
  - i. TID 6
  - ii. TID 7
  - iii. TID 8
  - iv. TID 9
- b. Discuss possible TID overlay in TID 8 to incent redevelopment of vacant property.
- c. Date and time of next meeting: Thursday, July 9, 2020 at 11:00AM CDT

### 3. Adjournment:

*For more information about the City of Baraboo, visit our website at [www.cityofbaraboo.com](http://www.cityofbaraboo.com).*

Agenda prepared by Cynthia Haggard, (608) 355-2700  
Agenda posted by Donna Munz on June 27, 2019

Any person, who has a qualifying disability as defined by the Americans with Disabilities Act and requires the meeting or materials at the meeting to be in an accessible location or format, should contact the Baraboo City Clerk at 101 South Boulevard, Baraboo, Wisconsin or by phone (608) 355-2700 during regular business hours at least 48 hours before the meeting to ensure reasonable arrangements are made to accommodate each request.

Present: Dr. Lori Mueller (Baraboo School District), Phil Wedekind (City of Baraboo), Patrick Liston (At Large), Scott Beard (MATC)

Absent: Alene Kleczek Bolin (Sauk County)

Also Present: Michael Palm (Mayor), Ed Geick (City Administrator), Cheryl Giese

The representatives met at the Council Chambers at the Baraboo City Hall.

Approve Agenda

Moved by Wedekind, seconded by Liston and carried to approve the agenda.

INFORMATION ITEMS:

TID Annual Reports: The committee reviewed the annual reports filed for TIDs 6, 7, 8 and 9 for 2016.

Future Performance Projections: The Committee reviewed future projections for TIDs 6, 7, 8 and 9 including proposed future projects, future increment projections, outstanding debt and projected closing dates for each district.

Adjournment: The Committee adjourned by general consent at 11:40 a.m.

Cheryl Giese  
City Clerk-Finance Director  
Airport Manager  
City of Baraboo



## **TIF District 6**

**Creation date:** January 1, 1999

**Final Dissolution Date:** July 27, 2022

**Amended date:** January 1, 2006 and January 1, 2010

**Base Value:** \$7,789,200 + \$229,200 = \$8,158,000

**Current Value:** \$44,080,400

**Original Purpose per Project Plan:**

- Street and Highway Improvements
- Development Incentives to Potential Industries
- Revolving Loan Fund
- Utility extensions
- Site Grading
- Land Cost Recovery

**Amended Purpose per 2006 Project Plan:**

- Extend Commerce Avenue
- Site preparation for Alliant Energy

**Amended Purpose per 2010 Project Plan:**

- Modify previous project list and costs
- Allow for projects within ½ mile
- Allow increment sharing with TIDs 8 & 9

Estimated costs in the project plan was \$18 million: Original project plan of \$14 million; 2006 amended project plan of \$2 million; and 2010 amended project plan of \$2 million.

**Performance Highlights:**

The project implementation stage (the last date to incur project costs) for TID 6, was completed in July 2017. Slumberland, Dell Tool, KFC, Klein Development and Wal-Mart have located within TID 6 and generated a positive tax increment. Highway improvements and utility infrastructure were installed during 2001, and further utility and service road improvements were installed in 2002 and 2003. Commerce Avenue was extended in 2007 to allow for the relocation of Alliant Energy. An elevated water tank was added in 2009, and the design for reconstruction of South Boulevard was started in 2009. In 2010, the TID was amended to allow transfers to TIDs 8 and 9. Stand Rock built a new office building in 2012, and a \$400,000 business recruitment incentive was created. The TID repaid the City General Fund for the cost of land that comprises the Deppe-Mandt Business Park in 2013. South Boulevard was reconstructed in 2014 as an 80/20 State project; the City portion was contributed by TID 6. The railroad spur in the Deppe-Mandt Business Park was reconstructed in 2016 with an 80/20 Freight Rail Preservation Program (FRPP) project; the City portion was contributed by TID 6. The 2018 audit report indicates \$25.5 million in projects and administrative costs spent to date.

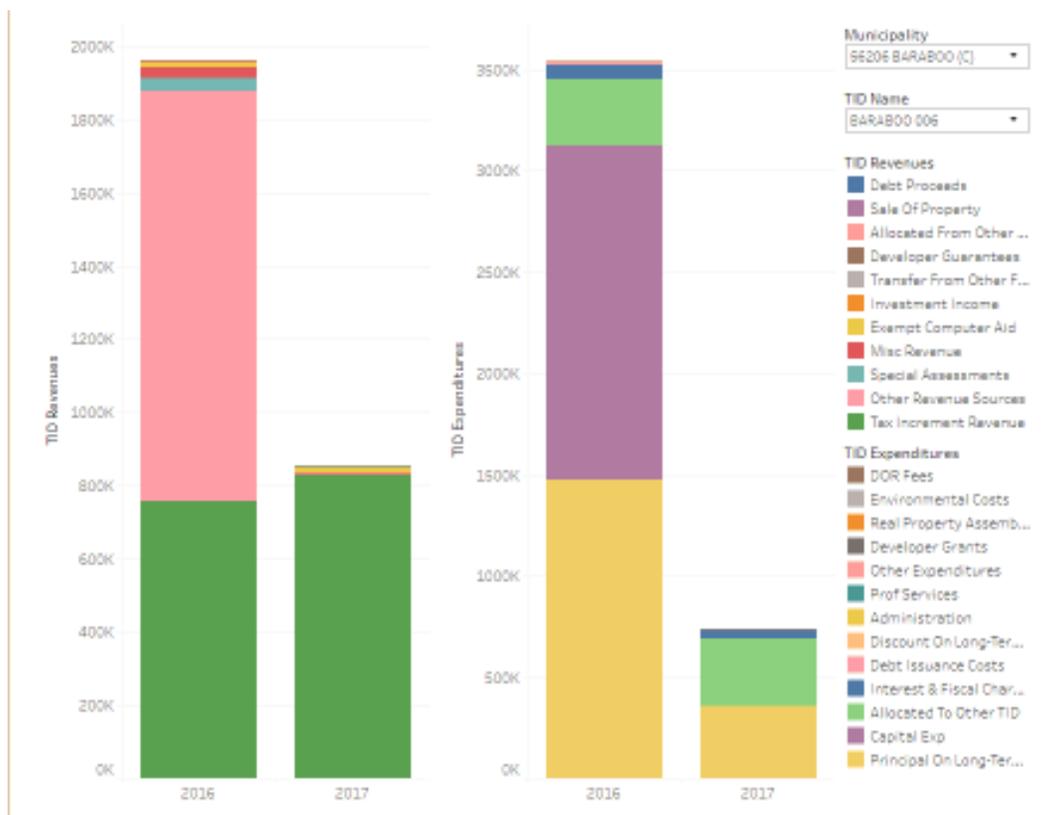
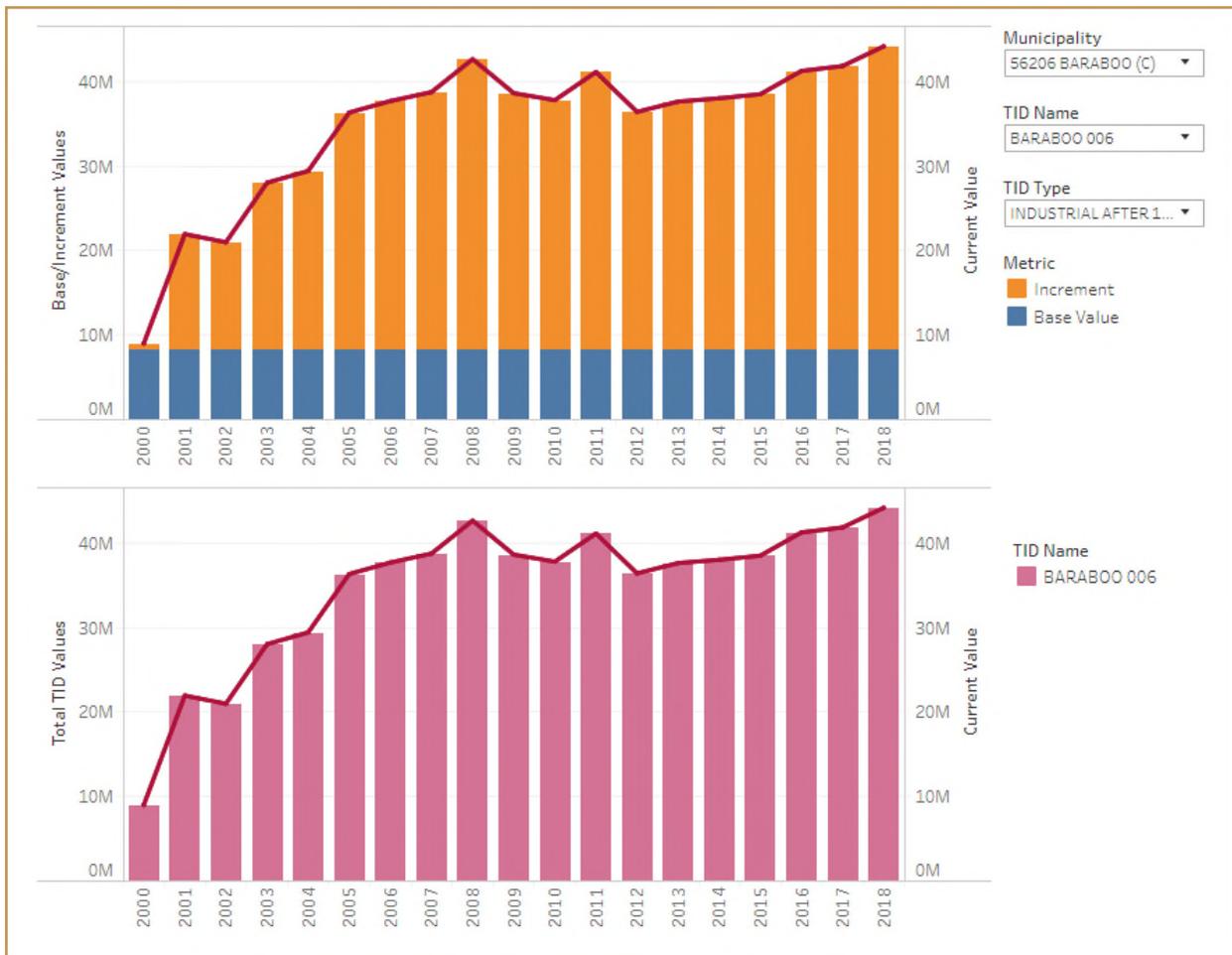
**Outstanding Debt Service, \$ 1,510,000 :**

Issue	Type	Issue Value	TID Portion of Issue	Balance
Series 2012A	Refunding	\$ 6,165,000	\$ 625,000	\$ 375,000
Series 2014A	Refunding	\$ 2,995,000	\$ 560,000	\$ 470,000
Series 2016A	Refunding	\$ 5,295,000	\$ 1,120,000	\$ 665,000

**Estimated Future Performance:**

TID 6 has been a steady performer and is accumulating fund balance. TID 6 became a donor district to TIDs 8 and 9 in 2010 and continues to donate.

# TIF 6 Performance



**CITY OF BARABOO**  
**TAX INCREMENTAL DISTRICT NO. 6**  
Baraboo, Wisconsin

COMPILED  
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

TABLE OF CONTENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

---

Accountants' Compilation Report	1
Tax Incremental District No. 6 – Balance Sheet	2
Tax Incremental District No. 6 – Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 6 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 10

## ACCOUNTANTS' COMPILATION REPORT

To the City Council  
City of Baraboo  
Baraboo, Wisconsin

Management is responsible for the accompanying 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 of the City of Baraboo's Tax Incremental Districts No. 6 ("district") as of and for the year ended December 31, 2018 and from the date of creation through December 31, 2018, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the district and do not purport to, and do not, present fairly the financial position of the City of Baraboo as of December 31, 2018, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
April 25, 2019

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
BALANCE SHEET  
As of December 31, 2018

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	<u>Capital Projects Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 545,494
Taxes receivable	900,324
Special assessments	<u>2,446</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,448,264</u></b>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
Deferred Inflows of Resources	
Unearned revenue	\$ 900,324
Unavailable revenue	<u>2,446</u>
Total Deferred Inflows of Resources	<u>902,770</u>
Fund Balance	
Restricted	<u>545,494</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<b><u>\$ 1,448,264</u></b>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	Year Ended	From Date of Creation
<b>PROJECT COSTS</b>		
Project costs	\$ -	\$ 10,913,257
Administration	129	306,887
Professional services	5,831	7,106
Subsidy to TIF No. 8 and No. 9	277,420	2,090,618
Interest and fiscal charges	34,751	2,610,756
Debt issuance costs	74	86,427
Total Project Costs	318,205	16,015,051
<b>PROJECT REVENUES</b>		
Tax increment	825,487	11,124,089
Special assessments	3,971	232,576
Intergovernmental	13,785	2,082,275
Public charges for services	-	368,131
Intergovernmental charges for services	-	179,150
Investment income	12,833	217,862
Premium on debt issued	-	42,927
Other revenue	-	298,475
Sale of property	-	505,060
Total Project Revenues	856,076	15,050,545
<b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2018</b>		
	\$ (537,871)	\$ 964,506
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
G.O. debt		\$ 1,510,000
Less: Fund balance		(545,494)
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS – DECEMBER 31, 2018</b>		
		\$ 964,506

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b>		
Tax increment	\$ 825,487	\$ 11,124,089
Special assessments	3,971	232,576
Intergovernmental	13,785	2,082,275
Public charges for services	-	368,131
Intergovernmental charges for services	-	179,150
Investment income	12,833	217,862
Sale of property	-	505,060
Other revenue	-	298,475
Premium on debt issued	-	42,927
Proceeds from long-term debt	-	10,994,724
Total Sources of Funds	856,076	26,045,269
<b>USES OF FUNDS</b>		
Project costs	-	10,913,257
Administration	129	306,887
Professional services	5,831	7,106
Subsidy to TIF No. 8 and No. 9	277,420	2,090,618
Principal on long-term debt	355,000	9,484,724
Interest and fiscal charges	34,751	2,610,756
Debt issuance costs	74	86,427
Total Uses of Funds	673,205	25,499,775
<b>Excess of sources of funds over uses of funds</b>	182,871	545,494
BEGINNING FUND BALANCE	362,623	-
<b>ENDING FUND BALANCE</b>	\$ 545,494	\$ 545,494

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of Baraboo, Wisconsin's Tax Incremental District No. 6 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Baraboo has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 6. The accompanying financial statements reflect all the significant operations of the City of Baraboo's Tax Incremental District No. 6. The accompanying financial statements do not include the full presentation of the City of Baraboo.

**A. DESCRIPTION OF FUND AND LONG-TERM DEBT**

This report contains the financial information of the City of Baraboo Tax Incremental District (TID) No. 6. The summary statements were prepared from data recorded in the following fund and the city's general long-term debt:

TID No. 6 Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the City of Baraboo'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 of the City of Baraboo.

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 improvement 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 district to collect tax increments until the net project cost has been fully recovered, or until 23 years after the tax incremental district is created, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Baraboo. Project costs may be incurred up to five years before the unextended termination date of the district.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**A. DESCRIPTION OF FUND AND LONG-TERM DEBT (cont.)**

***Original Project Plan***

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 6	January 1, 1999	July 27, 2017	2023

***Plan Amendments***

	Adoption Date	Last Date to Incur Project Costs
Amendment #1	June 27, 2006	July 27, 2017
Amendment #2	August 24, 2010	July 27, 2017

**B. 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 city is entitled to the aids.

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

**C. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles 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.

**D. MEASUREMENT FOCUS**

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of 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 period are recognized as unavailable or unearned revenue or as nonspendable 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.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***E. 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.

***F. LONG-TERM DEBT***

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

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.

***G. CLAIMS AND JUDGMENTS***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

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**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

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The district invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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 of Baraboo maintains separate and common cash and investment accounts at the same financial institutions utilized by the City of Baraboo. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Baraboo as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 3 – LONG-TERM DEBT**

**A. GENERAL OBLIGATION DEBT**

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Baraboo. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the debt service fund. If those revenues are not sufficient, payments will be made by future tax levies.

	<u>Borrowed</u>	<u>Repaid</u>	<u>Balance 12-31-18</u>
2016 general obligation corporate purpose bonds dated July 21, 2016 with interest ranging from 0.80% to 3.90%. Final maturity is May 1, 2035. The TID No. 6 share of the original proceeds of \$5,295,000 was \$1,120,000.	\$ 1,120,000	\$ 455,000	\$ 665,000
2014 general obligation refunding bonds dated August 12, 2014 with interest ranging from 0.80% to 2.45%. Final maturity is September 1, 2024. The TID No. 6 share of the original proceeds of \$2,795,000 was \$560,000.	560,000	90,000	470,000
2012 general obligation refunding bonds dated April 19, 2012 with interest ranging from 2.00% to 2.50%. Final maturity is April 1, 2023. The TID No. 6 share of the original proceeds of \$6,165,000 was \$625,000.	625,000	250,000	375,000
2008 general obligation corporate purpose bonds dated September 25, 2008 with interest ranging from 3.50% to 4.50%. Final maturity is September 1, 2024. The TID No. 6 share of the original proceeds of \$3,900,000 was \$775,000.	775,000	775,000	-
2007 general obligation refunding bonds dated June 28, 2007 with interest ranging from 4.1% to 4.2%. Final maturity is May 1, 2021. The TID No. 6 share of the original proceeds of \$5,060,000 was \$2,110,000.	2,110,000	2,110,000	-
2006 general obligation corporate purpose bonds dated July 1, 2006 with an interest rate of 4.25%. Final maturity is April 1, 2014. The TID No. 6 share of the original proceeds of \$5,145,000 was \$850,000.	740,000	740,000	-
2004 promissory note dated April 30, 2004 with an interest rate of 4%. Final maturity is April 30, 2013. The TID No. 6 share of the original proceeds of \$1,411,000 was \$938,050.	938,050	938,050	-

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 3 – LONG-TERM DEBT (cont.)**

**A. GENERAL OBLIGATION DEBT (cont.)**

	Borrowed	Repaid	Balance 12-31-18
2002 state trust fund dated November 6, 2002 at an interest rate of 4.5%. Final maturity is March 15, 2014. The TID No. 6 share of the original proceeds of \$710,000 was \$333,700.	\$ 333,700	\$ 333,700	\$ -
2001 general obligation corporate purpose bonds dated May 3, 2001 with interest ranging from 4.50% to 5.00%. Final maturity is May 1, 2021. The TID No. 6 share of the original proceeds of \$8,010,000 was \$2,845,000. In 2003, an additional \$45,000 of proceeds were allocated to TID No. 6 for a total of \$2,890,000.	2,890,000	2,890,000	-
2000 promissory note dated December 19, 2000 with interest of 4.75%. Final maturity was July 1, 2001. The TID No. 6 share of the original proceeds of \$1,033,682 was \$902,974.	902,974	902,974	-
Totals	<u>\$ 10,994,724</u>	<u>\$ 9,484,724</u>	<u>\$ 1,510,000</u>

In 2009, the city reallocated \$110,000 of the 2006 general obligation corporate purpose bonds previously reported in Tax Incremental District No. 6 to Tax Incremental District No. 8.

Aggregate maturities of all long-term debt relating to the district are as follows:

Calendar Year	Principal	Interest	Totals
2019	\$ 365,000	\$ 28,040	\$ 393,040
2020	370,000	21,020	391,020
2021	340,000	14,269	354,269
2022	160,000	9,155	169,155
2023	175,000	5,638	180,638
2024	100,000	2,450	102,450
Totals	<u>\$ 1,510,000</u>	<u>\$ 80,572</u>	<u>\$ 1,590,572</u>

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 6**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 4 – INCREMENT SHARING**

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As allowable under TID statutes, the city may share positive TID increments. In 2010, the city and joint review board approved sharing increments from TID No. 6 (donor district) to TID Nos. 8 and 9 (donee districts). Transfers of \$2,090,618 are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2010. TID increment sharing is valid for the life of the donor district or the recipient district, whichever comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes.

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**NOTE 5 – DEVELOPER PAYMENTS**

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None.



## **TIF District 7**

**Creation date:** January 1, 2006  
**Base Value:** \$248,300

**Final Dissolution Date:** December 31, 2026  
**Current Value:** \$9,108,000

**Original Purpose per Project Plan:**

- Public right-of-way acquisition
- Landscaping and site grading
- Streets and Utilities
- Development Incentives

**Performance Highlights:**

TID 7 has completed the majority of projects in the project plan. Teel Plastics has located in TID 7 and has developed in two phases: Phase I being the Teel plant site and Phase II being a commercial business park. Commerce Avenue, Mine Road, and utility infrastructure were installed during 2006, and further utility and service road improvements were installed in 2007. K&M Dressen Property Management, LLC built a new Pizza Ranch in 2016. The 2018 audit report indicates \$11.5 million in projects and administrative costs spent to date.

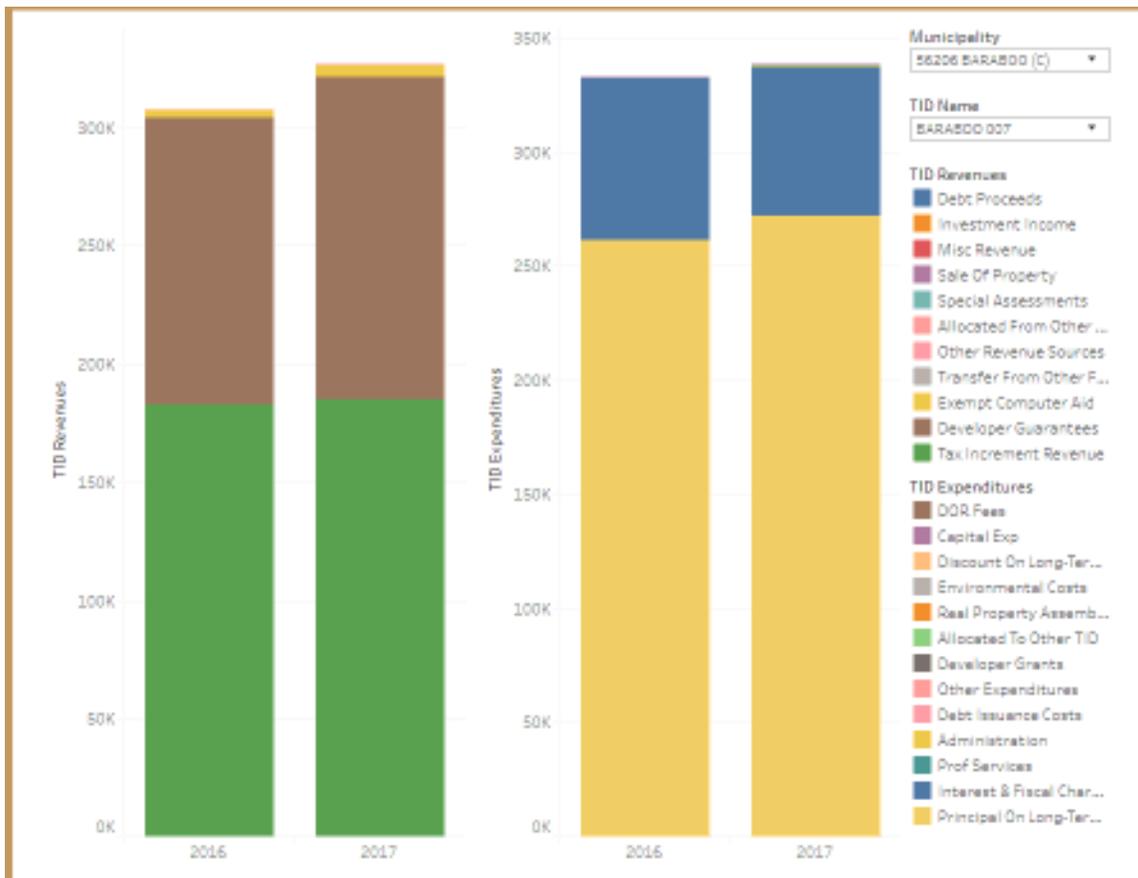
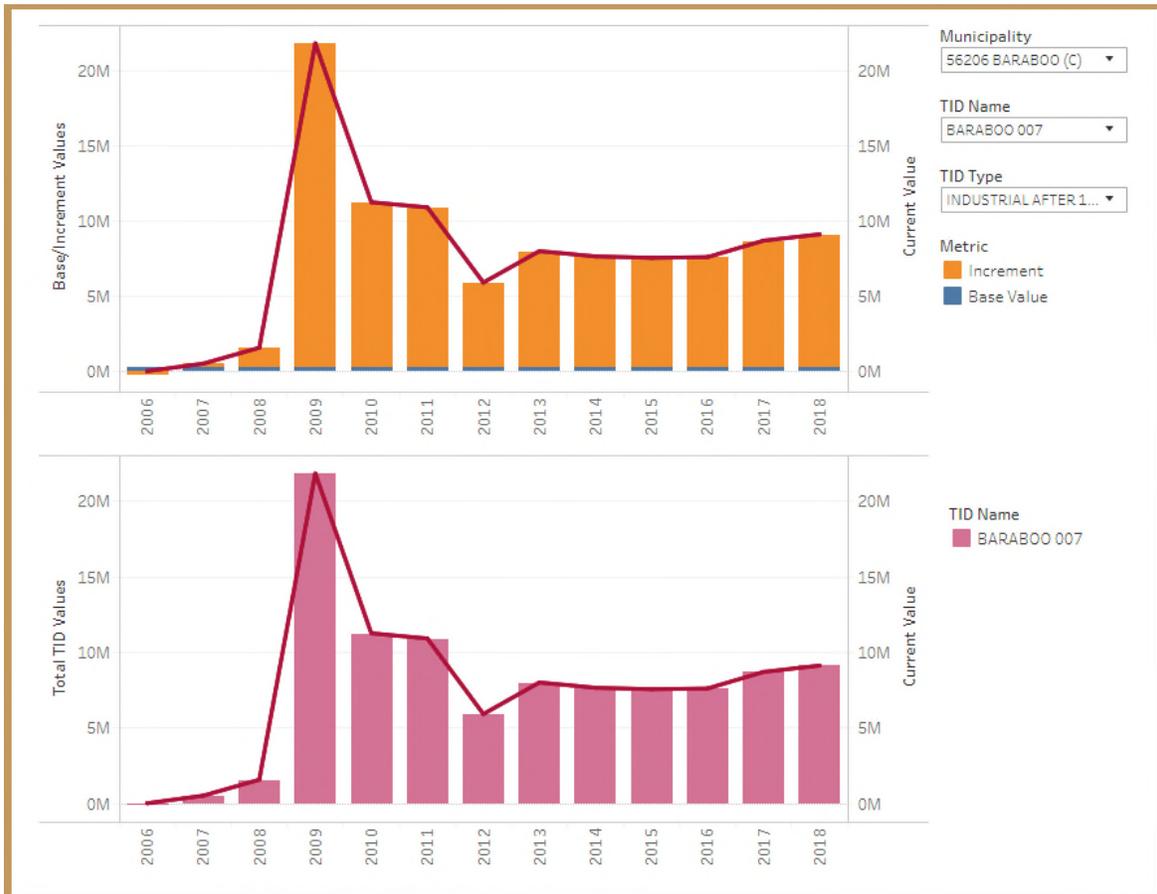
**Outstanding Debt Service, \$ 2,428,196 :**

Issue	Type	Issue Value	TID Portion of Issue	Balance
2008	Trust Fund Loan	\$ 229,000	\$ 229,057	\$ 33,196
Series 2012A	Refunding	\$ 6,165,000	\$ 1,410,000	\$ 1,340,000
Series 2013A	Refunding	\$ 2,660,000	\$ 1,205,000	\$ 505,000
Series 2014A	Refunding	\$ 2,995,000	\$ 720,000	\$ 550,000

**Estimated Future Performance:**

Teel Plastics has signed a developer's agreement with the City guaranteeing the partial success of TID 7-specifically for phases I and II. The success of this TID is dependent upon additional development for the developer to avoid making a payment on their guarantee. Teel is actively marketing the vacant lots in their business park.

# TIF 7 Performance



**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

Baraboo, Wisconsin

COMPILED  
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

TABLE OF CONTENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

---

Accountants' Compilation Report	1
Tax Incremental District No. 7 – Balance Sheet	2
Tax Incremental District No. 7 – Historical Summary of Project Costs, Project Revenues, and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 7 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 10

## ACCOUNTANTS' COMPILATION REPORT

To the City Council  
City of Baraboo  
Baraboo, Wisconsin

Management is responsible for the accompanying 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 of the City of Baraboo's Tax Incremental Districts No. 7 ("district") as of and for the year ended December 31, 2018 and from the date of creation through December 31, 2018, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
April 25, 2019

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
BALANCE SHEET  
As of December 31, 2018

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	Capital Projects Fund
<b>ASSETS</b>	
Cash and investments	\$ 23
Taxes receivable	221,075
Other receivables	<u>118,395</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 339,493</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
Liabilities	
Due to other funds	\$ 115,832
Advances from other funds	<u>177,066</u>
Total Liabilities	<u>292,898</u>
Deferred Inflows of Resources	
Unearned revenue	221,075
Unavailable revenue	<u>118,397</u>
Total Deferred Inflows of Resources	<u>339,472</u>
Fund Balance	
Unassigned (deficit)	<u>(292,877)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b><u>\$ 339,493</u></b>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>PROJECT COSTS</b>		
Project costs	\$ -	\$ 4,402,222
Administration costs	565	1,600
Professional services	675	1,950
Interest and fiscal charges	61,206	1,870,415
Debt issuance costs	-	142,762
Total Project Costs	62,446	6,418,949
<b>PROJECT REVENUES</b>		
Tax increment	216,688	2,099,237
Developer guarantees	135,865	416,508
Intergovernmental	5,355	1,043,367
Investment income	-	109,377
Sale of property	-	24,300
Premium on debt issued	-	5,087
Total Project Revenues	357,908	3,697,876
<b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2018</b>	<b>\$ (295,462)</b>	<b>\$ 2,721,073</b>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
G.O. Debt		\$ 2,428,196
Plus: Fund balance deficit		292,877
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2018</b>		<b>\$ 2,721,073</b>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b>		
Tax increment	\$ 216,688	\$ 2,099,237
Developer guarantees	135,865	416,508
Intergovernmental	5,355	1,043,367
Investment income	-	109,377
Premium on debt issued	-	5,087
Proceeds from long-term debt	-	7,539,057
Sale of property	-	24,300
Total Sources of Funds	357,908	11,236,933
<b>USES OF FUNDS</b>		
Project costs	-	4,402,222
Administration costs	565	1,600
Professional services	675	1,950
Principal on long-term debt	292,776	5,110,861
Interest and fiscal charges	61,206	1,870,415
Debt issuance costs	-	142,762
Total Uses of Funds	355,222	11,529,810
<b>Excess (deficiency) of sources of funds over uses of funds</b>	2,686	(292,877)
BEGINNING FUND BALANCE (DEFICIT)	(295,563)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	<b>\$ (292,877)</b>	<b>\$ (292,877)</b>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Baraboo, Wisconsin's Tax Incremental District No. 7 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Baraboo has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 7. The accompanying financial statements reflect all the significant operations of the City of Baraboo's Tax Incremental District No. 7. The accompanying financial statements do not include the full presentation of the City of Baraboo.

**A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT**

This report contains the financial information of the City of Baraboo's Tax Incremental District (TID) No. 7. The summary statements were prepared from data recorded in the following fund and the city's long-term debt:

TID No. 7 Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the City of Baraboo'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 of the City of Baraboo.

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 district to collect tax increments until the net project cost 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 City of Baraboo. Project costs may be incurred up to five years before the unextended termination date of the district.

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 7	June 27, 2006	June 27, 2021	2026

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***B. 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 city is entitled to the aids.

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

***C. USE OF ESTIMATES***

The preparation of financial statements in conformity with generally accepted accounting principles 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.

***D. MEASUREMENT FOCUS***

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of 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 period are recognized as unavailable or unearned revenue or as non-spendable 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.

***E. 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.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***F. LONG-TERM DEBT***

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

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.

***G. CLAIMS AND JUDGMENTS***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

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**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

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The district invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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 separate and common cash and investment accounts at the same financial institutions utilized by the city. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Baraboo as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 3 – LONG-TERM DEBT**

**A. GENERAL OBLIGATION AND TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT DEBT**

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Baraboo. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the debt service fund. If those revenues are not sufficient, payments will be made by future tax levies.

	<u>Borrowed</u>	<u>Repaid</u>	<u>Balance 12-31-18</u>
2014 general obligation refunding bonds dated August 12, 2014 with interest rates ranging from 0.8% to 2.45%. Final maturity is September 1, 2024. The TID No. 7 share of the original proceeds of \$2,995,000 was \$720,000.	\$ 720,000	\$ 170,000	\$ 550,000
2013 general obligation refunding bonds dated March 6, 2013 with interest rates ranging from 0.4% to 2.55%. Final maturity is August 1, 2023. The TID No. 7 share of the original proceeds of \$2,660,000 was \$1,205,000.	1,205,000	700,000	505,000
2012 general obligation refunding bonds dated April 19, 2012 with interest rates ranging from 2.00% to 2.65%. Final maturity is April 1, 2026. The TID No. 7 share of the original proceeds of \$6,165,000 was \$1,410,000.	1,410,000	70,000	1,340,000
2008 state trust fund dated December 3, 2008 at an interest rate of 4.75%. Final maturity is March 15, 2026.	229,057	195,861	33,196
2008 general obligation corporate purpose bonds dated September 25, 2008 with interest rates of 3.00% to 3.375%. Final maturity is September 1, 2015. The TID No. 7 share of the original proceeds of \$3,900,000 was \$155,000.	155,000	155,000	-
2007 general obligation corporate purpose bonds dated July 26, 2007 with interest rates of 5.50% to 6.00%. Final maturity is August 1, 2023. The TID No. 7 share of the original proceeds of \$2,080,000 was \$600,000.	600,000	600,000	-
2007 taxable general obligation community development bonds dated July 26, 2007 with interest rates of 3.90% to 4.60%. Final maturity is August 1, 2024.	865,000	865,000	-

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 3 – LONG-TERM DEBT (cont.)**

**A. GENERAL OBLIGATION AND TAXABLE GENERAL OBLIGATION COMMUNITY DEVELOPMENT DEBT (cont.)**

	Borrowed	Repaid	Balance 12-31-18
2006 general obligation corporate purpose bonds dated July 1, 2006 with interest rates of 4.25% to 4.375%. The TID No. 7 share of the original proceeds of \$5,145,000 was \$1,325,000. The bonds have been paid off.	\$ 1,325,000	\$ 1,325,000	\$ -
2006 taxable general obligation community development bonds dated July 1, 2006 with interest rates of 6.00% to 6.25%. The bonds have been paid off.	<u>1,030,000</u>	<u>1,030,000</u>	<u>-</u>
Totals	<u>\$ 7,539,057</u>	<u>\$ 5,110,861</u>	<u>\$ 2,428,196</u>

Aggregate maturities of all long-term debt relating to the district are as follows:

Calendar Year	Principal	Interest	Totals
2019	\$ 338,620	\$ 54,147	\$ 392,767
2020	319,576	48,105	367,681
2021	325,000	40,330	365,330
2022	335,000	33,206	368,206
2023	360,000	25,407	385,407
2024	305,000	16,705	321,705
2025	220,000	8,768	228,768
2026	<u>225,000</u>	<u>2,981</u>	<u>227,981</u>
Totals	<u>\$ 2,428,196</u>	<u>\$ 229,649</u>	<u>\$ 2,657,845</u>

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 7**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 4 – GUARANTEED REVENUE**

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The City of Baraboo has entered into a development agreement with Devco I, LLC and Renewal I, LLC (together, the “Developer”). The agreement guarantees that the City shall have the right to specially assess against the development any project costs not paid for by the district on an annual basis beginning in 2010. The amount of the assessment is calculated as the total annual expenses for the district, including interest, less the increment and other revenues for the district. If a special assessment is made against the Developer, and if in any later years the tax increment generated by the district exceeds the net expenses for such year, then in that event the surplus shall be used to reimburse the Developer for any deficit that was specially assessed against the Developer in earlier years. As of December 31, 2018, \$118,395 in special assessments are receivable from the Developer and included in unavailable revenue. During 2018, \$135,865 in special assessments were collected related to prior years and recognized as revenue. The total collected from the developer under this agreement as of year-end was \$416,508.

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**NOTE 5 – DEVELOPER PAYMENTS**

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None.



## **TIF District 8**

**Creation date:** January 1, 2006  
**Base Value:** \$17,516,600

**Final Dissolution Date:** December 31, 2033  
**Current Value:** \$17,702,200

**Original Purpose per Project Plan:**

- Relocate Alliant Energy
- Water Street Reconstruction
- Streetscape, river walk, ice age trail improvements
- Redevelopment Incentives
- Environmental Remediation

**Performance Highlights:**

The City received \$2.8 million of grants for brownfield assessment, remediation and property acquisition. In 2010, TID 6 was amended to become a donor district to assist TID 8 in meeting annual debt obligations. Land acquisition and environmental remediation have been the major focus of this TID to date - preparing property for redevelopment. In 2014, the Driftless Glenn distillery began distilling spirits and officially opened in 2015. The developer guaranteed success of their project by a Developer Agreement, based on an estimated increment of \$3 million. The 2018 audit report indicates \$13.5 million in projects and administrative costs spent to date.

**Outstanding Debt Service, \$ 2,765,000 :**

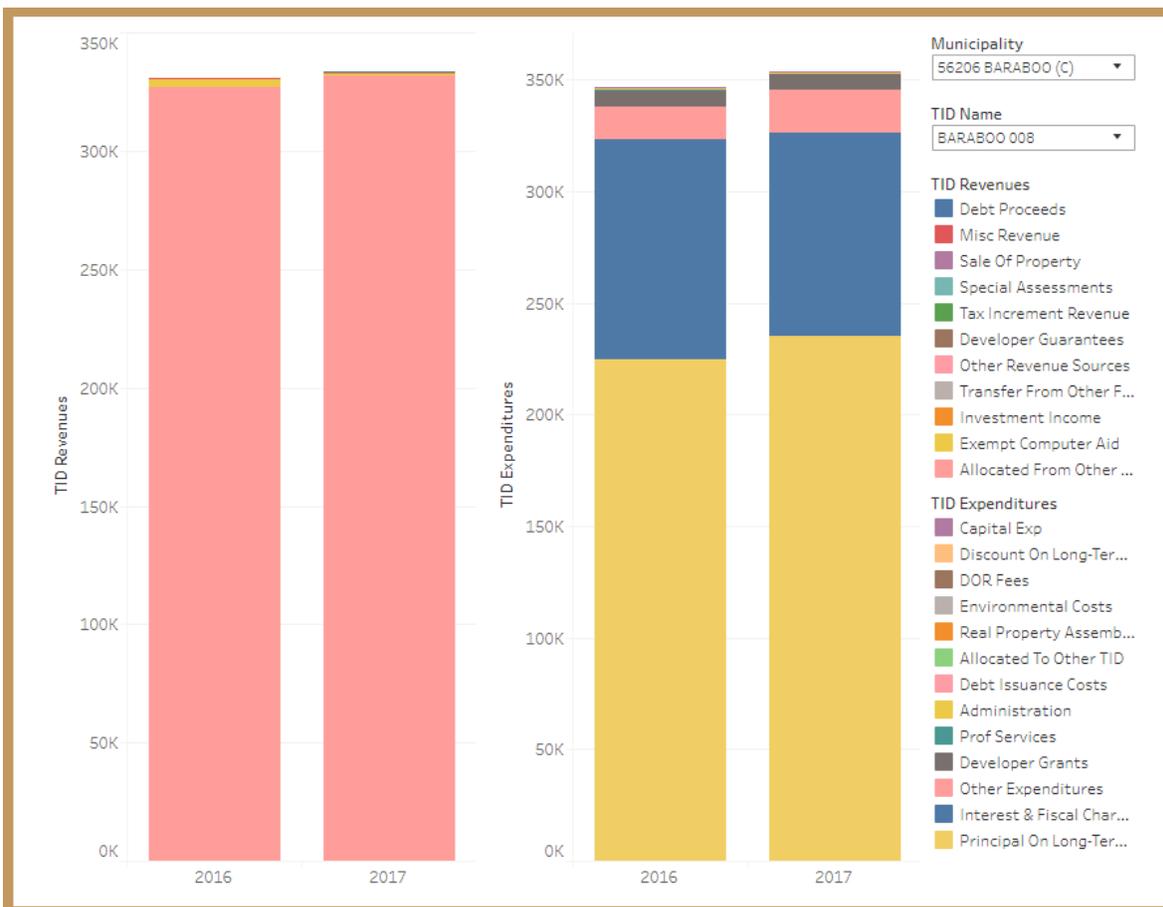
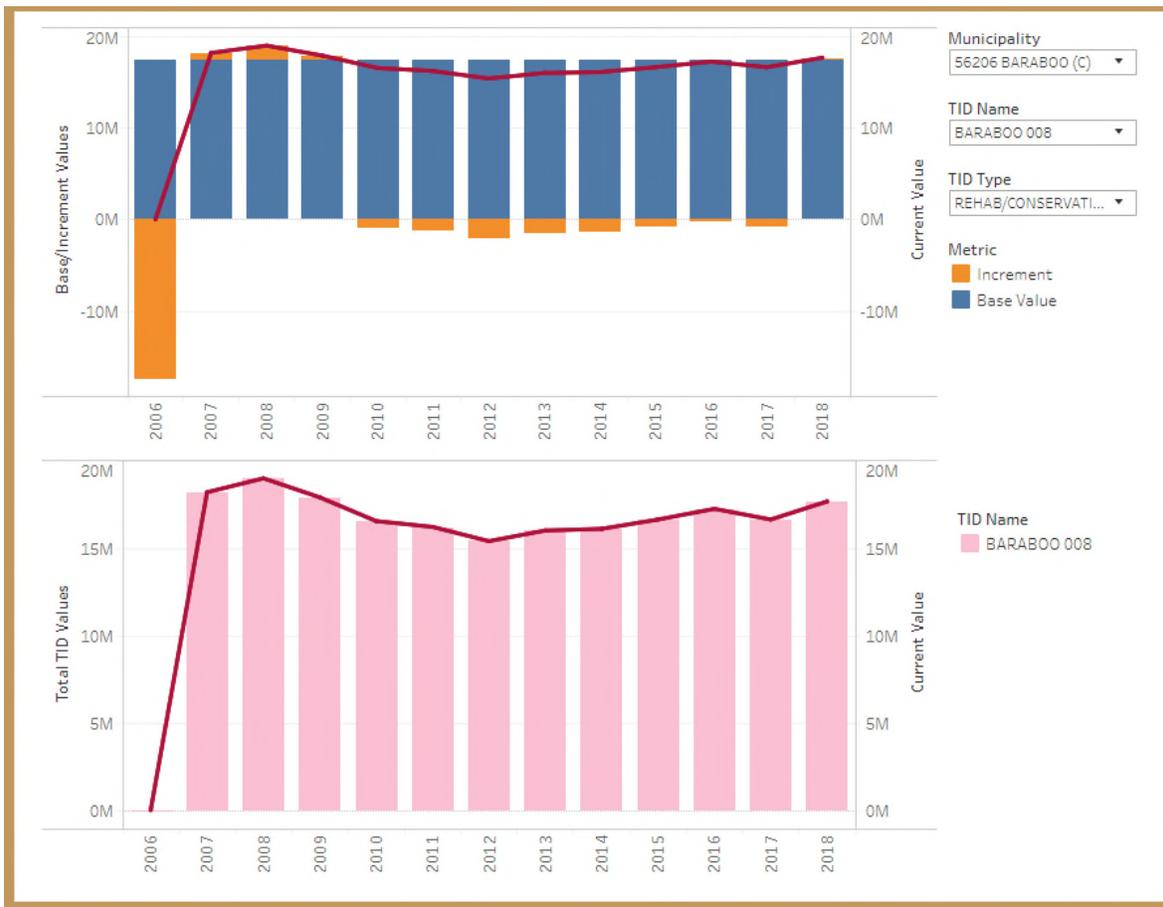
Issue	Type	Issue Value	TID Portion of Issue	Balance
Series 2010A	Bond Issue	\$ 1,690,000	\$ 720,000	\$ 575,000
Series 2012A	Refunding	\$ 6,165,000	\$ 1,000,000	\$ 705,000
Series 2013A	Refunding	\$ 2,660,000	\$ 1,455,000	\$ 1,120,000
Series 2014A	Refunding	\$ 2,995,000	\$ 405,000	\$ 365,000

**Estimated Future Performance:**

Alliant Energy and Veolia Environmental Services were relocated from the river corridor to allow redevelopment of their former property. In addition, the City has also acquired other properties along the riverbank, most recently the property at 325 Lynn Street. Environmental assessments and necessary remediation tasks were undertaken to prepare these properties for redevelopment in the river corridor. At this point, several vacant properties with prime river frontage have been remediated and are suitable for redevelopment.

The City will need to take an aggressive role in the early stages of this district in promoting sufficient cash flow to meet the financial obligations of this district. A \$7 million project is needed in the near future to ensure positive cash flow to meet future obligations.

# TIF 8 Performance



**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

Baraboo, Wisconsin

COMPILED  
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

As and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

TABLE OF CONTENTS  
As of for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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Accountants' Compilation Report	1
Tax Incremental District No. 8 – Balance Sheet	2
Tax Incremental District No. 8 – Historical Summary of Project Costs, Project Revenues, and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 8 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 10

## ACCOUNTANTS' COMPILATION REPORT

To the City Council  
City of Baraboo  
Baraboo, Wisconsin

Management is responsible for the accompanying 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 of the City of Baraboo's Tax Incremental Districts No. 8 ("district") as of and for the year ended December 31, 2018 and from the date of creation through December 31, 2018, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the district and do not purport to, and do not, present fairly the financial position of the City of Baraboo as of December 31, 2018, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
April 25, 2019

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
BALANCE SHEET  
As of December 31, 2018

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	<u>Capital Projects Fund</u>
<b>ASSETS</b>	
Accounts receivable	\$ 4,631
Due from other governments	<u>44,768</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 49,399</u></b>
<b>LIABILITIES AND FUND BALANCE</b>	
Accounts payable	\$ 40,727
Due to other funds	69,004
Deferred revenue	4,631
Advances from other funds	<u>481,365</u>
Total Liabilities	<u>595,727</u>
Fund Balance	
Unassigned (deficit)	<u>(546,328)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b><u>\$ 49,399</u></b>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>PROJECT COSTS</b>		
Project costs	\$ 488,851	\$ 6,977,028
Administration costs	2,315	3,521
Professional Services	4,050	5,325
Developer payments	7,590	35,725
Interest and fiscal charges	55,852	1,810,463
Debt issuance costs	-	125,441
Total Project Costs	<u>558,658</u>	<u>8,957,503</u>
<b>PROJECT REVENUES</b>		
Tax increment	-	56,699
Intergovernmental	304,886	3,294,075
Subsidy from TIF No. 6	277,420	2,062,362
Investment income	471	126,122
Premium on debt issued	-	12,464
Contribution from city	-	6,000
Miscellaneous revenues	<u>610,000</u>	<u>663,453</u>
Total Project Revenues	<u>1,192,777</u>	<u>6,221,175</u>
<b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2018</b>	<u>\$ (634,119)</u>	<u>\$ 2,736,328</u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
G.O. Debt		\$ 2,190,000
Plus: Fund balance deficit		<u>546,328</u>
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2018</b>		<u>\$ 2,736,328</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b>		
Tax increment	\$ -	\$ 56,699
Intergovernmental	304,886	3,294,075
Subsidy from TIF No. 6	277,420	2,062,362
Investment income	471	126,122
Premium of debt issued	-	12,464
Proceeds from long-term debt	-	6,740,000
Contribution from city	-	6,000
Miscellaneous revenues	610,000	663,453
Total Sources of Funds	1,192,777	12,961,175
<b>USES OF FUNDS</b>		
Project costs	488,851	6,977,028
Administration costs	2,315	3,521
Professional Services	4,050	5,325
Developer payments	7,590	35,725
Principal on long-term debt	825,000	4,550,000
Interest and fiscal charges	55,852	1,810,463
Debt issuance costs	-	125,441
Total Uses of Funds	1,383,658	13,507,503
<b>Excess (deficiency) of sources of funds over uses of funds</b>	(190,881)	(546,328)
BEGINNING FUND BALANCE (DEFICIT)	(355,447)	-
<b>ENDING FUND BALANCE (DEFICIT)</b>	\$ (546,328)	\$ (546,328)

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Baraboo, Wisconsin's Tax Incremental District No. 8 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Baraboo (the "city") has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 8. The accompanying financial statements reflect all the significant operations of the City of Baraboo's Tax Incremental District No. 8. The accompanying financial statements do not include the full presentation of the City of Baraboo.

**A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT**

This report contains the financial information of the City of Baraboo's Tax Incremental District (TID) No. 8. The summary statements were prepared from data recorded in the following fund and the city's long-term debt:

TID No. 8 Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the City of Baraboo'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 of the City of Baraboo.

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 district to collect tax increments until the net project cost 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 City of Baraboo. Project costs may be incurred up to five years before the unextended termination date of the district.

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 8	January 1, 2006	June 27, 2028	2034

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***B. 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 city is entitled to the aids.

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

***C. USE OF ESTIMATES***

The preparation of financial statements in conformity with generally accepted accounting principles 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.

***D. MEASUREMENT FOCUS***

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of 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 period are recognized as unavailable revenue or as nonspendable 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.

***E. 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.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***F. LONG-TERM DEBT***

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

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.

***G. CLAIMS AND JUDGMENTS***

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

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**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

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The district invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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 separate and common cash and investment accounts at the same financial institutions utilized by the city. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Baraboo as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

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**NOTE 3 – LONG-TERM DEBT**

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***A. GENERAL OBLIGATION DEBT***

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Baraboo. Notes and bonds borrowed to finance the Districts' expenditures will be retired by tax increments accumulated by the debt service fund. If those revenues are not sufficient, payments will be made by future tax levies, as applicable.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 3 – LONG-TERM DEBT (cont.)**

**A. GENERAL OBLIGATION DEBT (cont.)**

	Borrowed	Repaid	Balance 12-31-18
2014 general obligation refunding bonds dated August 12, 2014 with interest rates ranging from 0.8% to 3.05%. Final maturity is September 1, 2028. The TID No. 8 share of the original proceeds of \$2,995,000 was \$405,000.	\$ 405,000	\$ 40,000	\$ 365,000
2013 general obligation refunding bonds dated March 6, 2013 with interest rates ranging from 0.4% to 2.95%. Final maturity is August 1, 2026. The TID No. 8 share of the original proceeds of \$2,660,000 was \$1,455,000.	1,455,000	335,000	1,120,000
2012 general obligation refunding bonds dated April 19, 2012 with interest rates ranging from 2.00% to 2.65%. Final maturity is April 1, 2026. The TID No. 8 share of the original proceeds of \$6,165,000 was \$1,000,000.	1,000,000	295,000	705,000
2010 general obligation corporate purpose bonds dated December 27, 2010 with interest rates of 1.75% to 6.10%. Final maturity is December 1, 2030. The TID No. 8 share of the original proceeds of \$1,690,000 was \$720,000.	720,000	720,000	575,000
2008 general obligation corporate purpose bonds dated September 25, 2008 with interest rates of 3.0% to 4.5%. Final maturity is September 1, 2028. The TID No. 8 share of the original proceeds of \$3,900,000 was \$445,000.	445,000	445,000	-
2007 general obligation corporate purpose bonds dated July 26, 2007 with interest rates ranging from 5.5% to 6.0%. Final maturity is August 1, 2026. The TID No. 8 share of the original proceeds of \$2,080,000 was \$1,480,000.	1,480,000	1,480,000	-
2006 general obligation corporate purpose bonds dated July 1, 2006 with interest rates of 4.25% to 4.375%. Final maturity is April 1, 2014. The TID No. 8 share of the original proceeds of \$5,145,000 was \$1,125,000. In 2009, an additional \$110,000 was allocated to TID No. 8.	1,235,000	1,235,000	-
Totals	\$ 6,740,000	\$ 4,550,000	\$ 2,190,000

In 2009, the city reallocated \$110,000 of the 2006 general obligation corporate purpose bonds previously in Tax Incremental District No. 6 to Tax Incremental District No. 8.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**NOTE 3 – LONG-TERM DEBT (cont.)**

**A. GENERAL OBLIGATION DEBT (cont.)**

In 2018, the city assumed the remaining \$610,000 of the 2010 general obligation corporate purpose bonds in exchange for a land parcel within the district.

Aggregate maturities of all long-term debt relating to the district are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2019	\$ 225,000	\$ 51,948	\$ 276,948
2020	220,000	48,198	268,198
2021	255,000	43,620	298,620
2022	265,000	38,011	303,011
2023	285,000	32,213	317,213
2024	280,000	25,362	305,362
2025	275,000	17,381	292,381
2026	275,000	9,834	284,834
2027	50,000	3,305	53,305
2028	<u>60,000</u>	<u>1,830</u>	<u>61,830</u>
Totals	<u>\$ 2,190,000</u>	<u>\$ 271,702</u>	<u>\$ 2,461,702</u>

**NOTE 4 – ADVANCES FROM OTHER FUNDS**

The city's general fund is advancing funds to TID No. 8. In addition, the water, sewer, and stormwater utilities are advancing funds to TID No. 8. The amounts advanced equal the amounts spent on utility improvements for each respective utility. No repayment schedules have been determined for the advances. The city and utilities are currently not charging interest on the advance. The balance as of December 31, 2018 is as follows:

Advance from general fund	\$ 152,767
Advance from water utility	103,000
Advance from sewer utility	79,010
Advance from stormwater utility	<u>146,588</u>
Total Advances from Other Funds	<u>\$ 481,365</u>

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 8**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

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**NOTE 5 – INCREMENT SHARING**

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As allowable under TID statutes, the district may share positive TID increments. In 2010, the city and joint review board approved sharing increments from TID No. 6 (donor district) to TID Nos.8 and 9 (donee districts). Transfers of \$2,062,362 are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2010. TID increment sharing is valid for the life of the donor district or the recipient district, whichever date comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes.

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**NOTE 6 – DEVELOPER PAYMENTS**

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During 2018, the city made a payment in the amount of \$7,590 to JC's Broadway Diner, LLC as a development incentive. Total development incentives paid to this entity over the life of the district as of December 31, 2018, are \$35,725.



## **TIF District 9**

**CITY OF BARABOO**  
**TAX INCREMENTAL DISTRICT NO. 9**  
Baraboo, Wisconsin

COMPILED  
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

As of and for the Year Ended December 31, 2018 and  
From the Date of Creation Through December 31, 2018

**Creation date:** January 1, 2008  
**Base Value:** \$344,100

**Final Dissolution Date:** December 31, 2035  
**Current Value:** \$0

**Original Purpose per Project Plan:**

- Redevelopment Project of Former Ringling Manor

**Performance Highlights:**

TID 9 had planned to issue City Bonds to a developer utilizing Pay-as-You-Go financing to remodel the former Ringling Manor into a community based residential facility. A Developer Agreement had been approved for PAYGO financing. The developer was unable to secure appropriate financing for the remainder of the project and therefore, had to abandon the project. Since inception the district has lost value, therefore stalling the recovery of the initial project costs. TID 6 was amended in 2010 to share increment with TID 9 as needed. The 2018 audit report indicates \$37,000 in projects and administrative costs spent to date.

**Outstanding Debt Service:**

None issued yet.

**Estimated Future Performance:**

The original developer has foregone redevelopment after falling under financial hardship. It is uncertain whether another developer will undertake this project. The City has several options concerning this TID, including seeking a new developer or closing the district without any project occurring.

# TIF 9 Performance



**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

TABLE OF CONTENTS  
From the Date of Creation Through December 31, 2018

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Accountants' Compilation Report	1
Tax Incremental District No. 9 – Balance Sheet	2
Tax Incremental District No. 9 – Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 9 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 7

## ACCOUNTANTS' COMPILATION REPORT

To the City Council  
City of Baraboo  
Baraboo, Wisconsin

Management is responsible for the accompanying 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 of the City of Baraboo's Tax Incremental Districts No. 9 ("district") as of and for the year ended December 31, 2018, and from the date of creation through December 31, 2018, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the district and do not purport to, and do not, present fairly the financial position of the City of Baraboo as of December 31, 2018, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
April 28, 2019

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED  
BALANCE SHEET  
For the Year Ended December 31, 2018

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	<u>Capital Projects Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,033
<b>TOTAL ASSETS</b>	<u>\$ 1,033</u>
<b>FUND BALANCE</b>	
Restricted	\$ 1,033
Total Fund Balance	<u>1,033</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 1,033</u>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED  
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	Year Ended	From Date of Creation
<b>PROJECT COSTS</b>		
Professional services	\$ 675	\$ 6,368
Administration costs	39	256
Project costs	-	30,761
Total uses of funds	714	37,385
<b>PROJECT REVENUES</b>		
Tax increments	1,741	1,741
Interest income	6	6
Subsidy from TID No. 6	-	28,256
Public charges for services	-	8,415
Total Project Revenues	1,747	38,418
 <b>NET COST RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2018</b>	 <b>\$ (1,033)</b>	 <b>\$ (1,033)</b>

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
For the Year Ended December 31, 2018  
and From the Date of Creation Through December 31, 2018

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b>		
Tax increments	\$ 1,741	\$ 1,741
Investment income	6	6
Subsidy from TID No. 6	-	28,256
Public charges for services	-	8,415
Total Sources of Funds	1,747	38,418
<b>USES OF FUNDS</b>		
Professional services	675	6,368
Administration costs	39	256
Project costs	-	30,761
Total uses of funds	714	37,385
<b>Excess of sources of funds over uses of funds</b>	1,033	1,033
BEGINNING FUND BALANCE	-	-
<b>ENDING FUND BALANCE</b>	\$ 1,033	\$ 1,033

See accompanying notes to financial statements and accountants' compilation report.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2018

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the City of Baraboo, Wisconsin's Tax Incremental District No. 9 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Baraboo (the "city") has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of the district. The accompanying financial statements reflect all the significant operations of the city's Tax Incremental District No. 9. The accompanying financial statements do not include the full presentation of the city.

**A. DESCRIPTION OF FUND AND LONG-TERM DEBT**

This report contains the financial information of the city's Tax Incremental District (TID) No. 9. The summary statements were prepared from data recorded in the following fund:

TID No. 9 Capital Projects Fund

Detailed descriptions of the purpose of this fund can be found in the city'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 of the city.

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 improvement 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 district 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 city. Project costs may be incurred up to five years before the unextended termination date of the district.

***Original Project Plan***

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 9	December 11, 2007	December 11, 2030	2034

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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***B. 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 expenditures are 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 city is entitled to the aids.

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

***C. USE OF ESTIMATES***

The preparation of financial statements in conformity with generally accepted accounting principles 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.

***D. MEASUREMENT FOCUS***

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of 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 period are recognized as unavailable or unearned revenue or as nonspendable 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.

***E. 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.

***F. LONG-TERM DEBT***

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

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.

**CITY OF BARABOO  
TAX INCREMENTAL DISTRICT NO. 9**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2018

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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**G. CLAIMS AND JUDGMENTS**

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

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**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

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The district invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. 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.

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**NOTE 3 – INCREMENT SHARING**

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As allowable under TID statutes, the city may share positive TID increments. In 2010, the city and joint review board approved sharing increments from TID No. 6 (donor district) to TID Nos. 8 and 9 (donee districts). Transfers of \$28,256 are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2010. TID increment sharing is valid for the life of the donor district or the recipient district, whichever comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes.

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**NOTE 4 – DEVELOPER PAYMENTS**

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None.