

**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, 2019 and  
From the Date of Creation Through December 31, 2019

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

TABLE OF CONTENTS  
As of for the Year Ended December 31, 2019 and  
From the Date of Creation Through December 31, 2019

---

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, 2019 and from the date of creation through December 31, 2019, 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, 2019, 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  
June 12, 2020

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

COMPILED  
BALANCE SHEET  
As of December 31, 2019

---

	Capital Projects Fund
<b>ASSETS</b>	
Taxes receivable	\$ 44,583
Due from other governments	2,667
Other receivables	<u>685</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 47,935</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	
Liabilities	
Accounts payable	\$ 517
Due to other funds	2,835
Advances from other funds	<u>481,365</u>
Total Liabilities	<u>484,717</u>
Deferred Inflows of Resources	
Unearned revenue	<u>44,583</u>
Fund Balance	
Unassigned (deficit)	<u>(481,365)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE</b>	<b><u>\$ 47,935</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, 2019  
and From the Date of Creation Through December 31, 2019

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>PROJECT COSTS</b>		
Project costs	\$ 23,873	\$ 7,000,901
Administration costs	1,105	4,626
Professional Services	11,299	16,624
Developer payments	7,594	43,319
Interest and fiscal charges	54,753	1,865,216
Debt issuance costs	-	125,441
Total Project Costs	<u>98,624</u>	<u>9,056,127</u>
<b>PROJECT REVENUES</b>		
Tax increment	4,176	60,875
Intergovernmental	6,282	3,300,357
Subsidy from TID No. 6	377,444	2,439,806
Investment income	-	126,122
Premium on debt issued	-	12,464
Contribution from city	-	6,000
Miscellaneous revenues	<u>685</u>	<u>664,138</u>
Total Project Revenues	<u>388,587</u>	<u>6,609,762</u>
<b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2019</b>	<u>\$ (289,963)</u>	<u>\$ 2,446,365</u>
<b>RECONCILIATION OF RECOVERABLE COSTS</b>		
G.O. Debt		\$ 1,965,000
Plus: Fund balance deficit		<u>481,365</u>
<b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS - DECEMBER 31, 2019</b>		<u>\$ 2,446,365</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, 2019  
and From the Date of Creation Through December 31, 2019

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>SOURCES OF FUNDS</b>		
Tax increment	\$ 4,176	\$ 60,875
Intergovernmental	6,282	3,300,357
Subsidy from TID No. 6	377,444	2,439,806
Investment income	-	126,122
Premium of debt issued	-	12,464
Proceeds from long-term debt	-	6,740,000
Contribution from city	-	6,000
Miscellaneous revenues	685	664,138
Total Sources of Funds	<u>388,587</u>	<u>13,349,762</u>
<b>USES OF FUNDS</b>		
Project costs	23,873	7,000,901
Administration costs	1,105	4,626
Professional Services	11,299	16,624
Developer payments	7,594	43,319
Principal on long-term debt	225,000	4,775,000
Interest and fiscal charges	54,753	1,865,216
Debt issuance costs	-	125,441
Total Uses of Funds	<u>323,624</u>	<u>13,831,127</u>
<b>Excess (deficiency) of sources of funds over uses of funds</b>	64,963	(481,365)
BEGINNING FUND BALANCE (DEFICIT)	<u>(546,328)</u>	<u>-</u>
<b>ENDING FUND BALANCE (DEFICIT)</b>	<u>\$ (481,365)</u>	<u>\$ (481,365)</u>

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, 2019 and  
From the Date of Creation Through December 31, 2019

**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.

**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'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 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. 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, 2019 and  
From the Date of Creation Through December 31, 2019

---

**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, 2019 and  
From the Date of Creation Through December 31, 2019

---

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

---

***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.

---

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

---

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 as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

---

**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. 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, 2019 and  
From the Date of Creation Through December 31, 2019

**NOTE 3 – LONG-TERM DEBT (cont.)**

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

	Borrowed	Repaid	Balance 12-31-19
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	\$ 70,000	\$ 335,000
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	465	990,000
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	360,000	640,000
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	-
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	\$ 4,775,000	\$ 1,965,000

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, 2019 and  
From the Date of Creation Through December 31, 2019

**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>
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	60,000	1,830	61,830
Totals	<u>\$ 1,965,000</u>	<u>\$ 219,754</u>	<u>\$ 2,184,754</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, 2019 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, 2019 and  
From the Date of Creation Through December 31, 2019

---

**NOTE 5 – INCREMENT SHARING**

---

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 \$2,439,806 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.

---

**NOTE 6 – DEVELOPER PAYMENTS**

---

During 2019, the city made a payment in the amount of \$7,594 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, 2019, are \$43,319.