CITY OF STOUGHTON, 207 S FORREST ST, STOUGHTON, WISCONSIN

RESOLUTION OF THE COMMON COUNCIL		
Acceptance of Tax Incremental Districts financial statements 12-31-2022		
Committee Action:	Finance Committee recommended approval 7-0 on 06/27/2023	
Fiscal Impact:	None	
File Number:	R-115-2023	**Date 07/11/23**

The City of Stoughton, Wisconsin, Common Council does proclaim as follows:

RECITALS:

WHEREAS, Wisconsin municipalities are required to file an annual Tax Incremental District (TID) report each year with the Wisconsin Department of Revenue; and,

WHEREAS, Baker Tilly US, LLP prepares annually a Compilation Financial Statement document for all active TIDs for use in preparing the TID report for the Wisconsin Department of Revenue; and,

WHEREAS, Baker Tilly US, LLP has prepared the Compilation Financial Statements for Tax Incremental Districts Nos. 4 through No. 9 dated December 31, 2022;

NOW THEREFORE BE IT RESOLVED, that the Common Council of the City of Stoughton hereby accepts that Compilation Financial Statements for Tax Incremental Districts Nos. 4 through No. 9 dated December 31, 2022 as prepared by Baker Tilly US, LLP.

Council Action: ☐ **Adopted** ☐ **Failed** **Vote** _____

Mayoral Action: ☐ **Accept** ☐ **Veto**

_____

Mayor Tim Swadley Date

Council Action: _____ ☐ **Override** **Vote** _____

City of Stoughton
Tax Incremental Districts No. 4, No. 5, No. 6, No. 7, No. 8 and No. 9

Financial Statements

December 31, 2022

City of Stoughton
Tax Incremental District No. 4, No. 5, No. 6, No. 7, No. 8 and No. 9

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Accountants' Compilation Report

To the City Council of
City of Stoughton

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 Stoughton, Wisconsin's Tax Incremental Districts No. 4, No. 5, No. 6, No. 7, No. 8 and No. 9 (Districts) as of and for the year ended December 31, 2022 and from the date of creation through December 31, 2022, 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 Districts and do not purport to and do not, present fairly the financial position of the City of Stoughton as of December 31, 2022, 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 US, LLP

Madison, Wisconsin
June 22, 2023

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City of Stoughton Tax Incremental District No. 4

Balance Sheet
December 31, 2022

	Capital Projects Fund
Assets	
Taxes receivable	$ 175,711
Total assets	$ 175,711
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	$ 3,031
Advance from city general fund	13,005
Total liabilities	16,036
Deferred Inflows of Resources	
Unearned revenues	175,711
Total deferred inflows of resources	175,711
Fund Balance	
Unassigned (deficit)	(16,036)
Total liabilities, deferred inflows of resources and fund balance	$ 175,711

See notes to financial statements

City of Stoughton Tax Incremental District No. 4

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

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ (1,175)	$ 2,981,246
Administration (in-house)	-	70,139
Department of Revenue fees	150	750
Revolving loan fund	15,000	280,000
Professional services, planning, engineering, other	9,551	340,578
Debt issuance costs	-	26,075
Contribution to other districts	168,352	580,173
Interest on long-term debt	-	802,998
Total project costs	191,878	5,081,959
Project Revenues		
Tax increments	163,178	3,159,866
Exempt computer aid	1,775	62,895
Personal property aid	5,207	20,828
Intergovernmental	-	89,415
Contribution from other districts	-	1,405,024
Investment income	676	170,421
Sale of property	-	104,762
Miscellaneous revenue	-	8,810
Developer guarantees	-	43,902
Total project revenues	170,836	5,065,923
Net cost (recovered) to be recovered through TIF increments, December 31, 2022	$ 21,042	$ 16,036

See notes to financial statements

City of Stoughton Tax Incremental District No. 4

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2022 and From Date of Creation Through December 31, 2022

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 163,178	$ 3,159,866
Exempt computer aid	1,775	62,895
Personal property aid	5,207	20,828
Intergovernmental	-	89,415
Contribution from other districts	-	1,405,024
Investment income	676	170,421
Sale of property	-	104,762
Miscellaneous revenue	-	8,810
Developer guarantees	-	43,902
Long-term debt issued	-	3,160,750
Total sources of funds	170,836	8,226,673
Uses of Funds		
Capital expenditures	(1,175)	2,981,246
Administration (in-house)	-	70,139
Department of Revenue fees	150	750
Revolving loan fund	15,000	280,000
Professional services, planning, engineering, other	9,551	340,578
Debt issuance costs	-	26,075
Contribution to other districts	168,352	580,173
Interest on long-term debt	-	802,998
Principal on long-term debt	-	3,160,750
Total uses of funds	191,878	8,242,709
Excess (deficiency) of sources of funds over uses of funds	(21,042)	(16,036)
Fund Balance, Beginning	5,006	-
Fund Balance (Deficit), Ending	$ (16,036)	$ (16,036)

See notes to financial statements

City of Stoughton Tax Incremental District No. 5

Balance Sheet
December 31, 2022

	Capital Projects Fund
Assets	
Taxes receivable	$ 59,705
Accounts receivable	158
Total assets	$ 59,863
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	$ 139
Advance from city general fund	586,141
Total liabilities	586,280
Deferred Inflows of Resources	
Unearned revenues	59,705
Total deferred inflows of resources	59,705
Fund Balance	
Unassigned (deficit)	(586,122)
Total liabilities, deferred inflows of resources and fund balance	$ 59,863

See notes to financial statements

City of Stoughton Tax Incremental District No. 5

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

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ -	$ 2,717,912
Professional services, planning, engineering, other	1,652	52,734
Department of Revenue fees	150	1,750
Interest on advances	-	96,965
Debt issuance costs	-	18,157
Interest on long-term debt	42,389	233,946
Total project costs	44,191	3,121,464
Project Revenues		
Tax increments	66,352	196,798
Transfer from other funds	-	100,000
Contribution from other districts	153,850	178,850
Exempt computer aid	39,592	278,353
Intergovernmental	-	350,000
Developer guarantees	-	130,168
Investment income	-	5,724
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Total project revenues	259,794	1,357,509
Net cost (recovered) to be recovered through TIF increments, December 31, 2022	$ (215,603)	$ 1,763,955
Reconciliation of Recoverable Costs		
General obligation debt		$ 1,177,833
Add fund balance deficit		586,122
Net costs to be recovered through TIF increments, December 31, 2022		$ 1,763,955

See notes to financial statements

City of Stoughton Tax Incremental District No. 5

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2022 and From Date of Creation Through December 31, 2022

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 66,352	$ 196,798
Transfers from other funds	-	100,000
Contribution from other districts	153,850	178,850
Exempt computer aid	39,592	278,353
Intergovernmental	-	350,000
Developer guarantees	-	130,168
Investment income	-	5,724
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Long-term debt issued	-	1,498,750
Total sources of funds	259,794	2,856,259
Uses of Funds		
Capital expenditures	-	2,717,912
Professional services, planning, engineering, other	1,652	52,734
Department of Revenue fees	150	1,750
Interest on advance	-	96,965
Debt issuance costs	-	18,157
Interest on long-term debt	42,389	233,946
Principal on long-term debt	111,461	320,917
Total uses of funds	155,652	3,442,381
Excess (deficiency) of sources of funds over uses of funds	104,142	(586,122)
Fund Balance (Deficit), Beginning	(690,264)	-
Fund Balance (Deficit), Ending	$ (586,122)	$ (586,122)

See notes to financial statements

City of Stoughton Tax Incremental District No. 6

Balance Sheet
December 31, 2022

	Capital Projects Fund
Assets	
Cash and investments	$ 359,437
Taxes receivable	75,532
Accounts receivable	429
Total assets	$ 435,398
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable and deposits	$ 48,770
Advances from city general fund	125,000
Total liabilities	173,770
Deferred Inflows of Resources	
Unearned revenues	75,532
Total deferred inflows of resources	75,532
Fund Balance	
Restricted	186,096
Total liabilities, deferred inflows of resources and fund balance	$ 435,398

See notes to financial statements

City of Stoughton Tax Incremental District No. 6

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

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ -	$ 2,546,895
Professional services, planning, engineering, other	17,026	226,144
Department of Revenue fees	150	750
Debt issuance cost	-	36,163
Interest on long-term debt	78,234	206,942
Total project costs	95,410	3,016,894
Project Revenues		
Tax increments	65,877	139,551
Tax levy	-	125,000
Investment income	4,304	43,418
Developer guarantee	35,000	52,159
Land sales	-	173,230
Premium on long-term debt	-	14,080
Miscellaneous revenues	6,277	63,222
Total project revenues	111,458	610,660
Net cost (recovered) to be recovered through TIF increments, December 31, 2022	$ (16,048)	$ 2,406,234
Reconciliation of Recoverable Costs		
General obligation debt		$ 2,592,330
Less fund balance		(186,096)
Net costs to be recovered through tax increments, December 31, 2022		$ 2,406,234

See notes to financial statements

City of Stoughton Tax Incremental District No. 6

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2022 and From Date of Creation Through December 31, 2022

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 65,877	$ 139,551
Tax levy	-	125,000
Investment income	4,304	43,418
Developer guarantee	35,000	52,159
Miscellaneous revenues	6,277	63,222
Land sales	-	173,230
Premium on long-term debt	-	14,080
Long-term debt issued	-	3,123,709
Total sources of funds	111,458	3,734,369
Uses of Funds		
Capital expenditures	-	2,546,895
Professional services, planning, engineering, other	17,026	226,144
Department of Revenue fees	150	750
Debt issuance cost	-	36,163
Interest on long-term debt	78,234	206,942
Principal on long-term debt	341,379	531,379
Total uses of funds	436,789	3,548,273
Excess (deficiency) of sources of funds over uses of funds	(325,331)	186,096
Fund Balance, Beginning	511,427	-
Fund Balance, Ending	$ 186,096	$ 186,096

See notes to financial statements

City of Stoughton Tax Incremental District No. 7

Balance Sheet
and Net Cost to be Recovered Through Tax Increments

	Capital Projects Fund
Assets	
Cash and investments	$ 1,265,893
Taxes receivable	900,076
Accounts receivable	64,468
Total assets	$ 2,230,437
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable and deposits	$ 408,977
Total liabilities	408,977
Deferred Inflows of Resources	
Unearned revenues	926,541
Total deferred inflows of resources	926,541
Fund Balance	
Restricted	894,919
Total liabilities, deferred inflows of resources and fund balance	$ 2,230,437

See notes to financial statements

City of Stoughton Tax Incremental District No. 7

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

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ -	$ 3,233,521
Developer payments	804,118	1,354,118
Administration (in-house)	-	33,311
Professional services, planning, engineering, other	52,024	1,269,688
Department of Revenue fees	150	450
Assessment settlement	62,633	62,633
Debt issuance costs	18,865	121,543
Interest on long-term debt	117,473	700,173
Total project costs	1,055,263	6,775,437
Project Revenues		
Tax increments	832,281	3,325,811
Premium on long-term debt	13,208	174,028
Investment income	16,732	47,758
Developer guarantees	29,651	127,759
Total project revenues	891,872	3,675,356
Net cost (recovered) to be recovered through TIF increments, December 31, 2022	$ 163,391	$ 3,100,081
Reconciliation of Recoverable Costs		
Long-term debt		$ 3,995,000
Less fund balance		(894,919)
Net costs to be recovered through tax increments, December 31, 2022		$ 3,100,081

See notes to financial statements

City of Stoughton Tax Incremental District No. 7

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2022 and From Date of Creation Through December 31, 2022

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 832,281	$ 3,325,811
Investment income	16,732	47,758
Premium on long-term debt	13,208	174,028
Long-term debt issued	700,000	9,565,000
Developer guarantees	29,651	127,759
Total sources of funds	1,591,872	13,240,356
Uses of Funds		
Capital expenditures	-	3,233,521
Developer payments	804,118	1,354,118
Administration (in-house)	-	33,311
Professional services, planning, engineering, other	52,024	1,269,688
Department of Revenue fees	150	450
Assessment settlement	62,633	62,633
Debt issuance cost	18,865	121,543
Interest on long-term debt	117,473	700,173
Principal on long-term debt	220,000	5,570,000
Total uses of funds	1,275,263	12,345,437
Excess of sources of funds over uses of funds	316,609	894,919
Fund Balance, Beginning	578,310	-
Fund Balance, Ending	$ 894,919	$ 894,919

See notes to financial statements

City of Stoughton Tax Incremental District No. 8

Balance Sheet
December 31, 2022

	Capital Projects Fund
Assets	
Taxes receivable	$ 22,014
Due from the state	679,909
Total assets	$ 701,923
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	$ 39,755
Advance from city general fund	258,626
Total liabilities	298,381
Deferred Inflows of Resources	
Unearned revenues	22,014
Unavailable revenues	679,909
Total deferred inflows of resources	701,923
Fund Balance	
Unassigned (deficit)	(298,381)
Total liabilities, deferred inflows of resources and fund balance	$ 701,923

See notes to financial statements

City of Stoughton Tax Incremental District No. 8

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

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ 1,034,279	$ 1,802,114
Department of Revenue fees	150	1,600
Professional services, planning, engineering, other	159,794	348,861
Debt issuance costs	18,714	22,497
Interest on long-term debt	26,288	91,245
Total project costs	1,239,225	2,266,317
Project Revenues		
Tax increments	6,890	12,486
Tax levy	-	24,741
Intergovernmental	84,490	179,990
Contribution from other districts	14,502	401,323
Premium on long-term debt	13,020	14,645
Investment income	-	4,963
Total project revenues	118,902	638,148
Net cost (recovered) to be recovered through TIF increments, December 31, 2022	$ 1,120,323	$ 1,628,169
Reconciliation of Recoverable Costs		
Long-term debt		$ 1,329,788
Add fund balance deficit		298,381
Net costs to be recovered through tax increments, December 31, 2022		$ 1,628,169

See notes to financial statements

City of Stoughton Tax Incremental District No. 8

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2022 and From Date of Creation Through December 31, 2022

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 6,890	$ 12,486
Tax levy	-	24,741
Investment income	-	4,963
Intergovernmental	84,490	179,990
Contribution from other districts	14,502	401,323
Premium on long-term debt	13,020	14,645
Long-term debt issued	690,000	1,418,409
Total sources of funds	808,902	2,056,557
Uses of Funds		
Capital expenditures	1,034,279	1,802,114
Department of Revenue fees	150	1,600
Professional services, planning, engineering, other	159,794	348,861
Debt issuance cost	18,714	22,497
Interest and fiscal charges on long-term debt	26,288	91,245
Principal on long-term debt	88,621	88,621
Total uses of funds	1,327,846	2,354,938
Excess (deficiency) of sources of funds over uses of funds	(518,944)	(298,381)
Fund Balance, Beginning	220,563	-
Fund Balance (Deficit), Ending	$ (298,381)	$ (298,381)

See notes to financial statements

City of Stoughton Tax Incremental District No. 9

Balance Sheet
December 31, 2022

	Capital Projects Fund
Assets	
Accounts receivable	$ 10,626
Total assets	$ 10,626
Liabilities and Fund Balance	
Liabilities	
Accounts payable and deposits	$ 26,084
Advance from city general fund	8,056
Total liabilities	34,140
Fund Balance	
Unassigned (deficit)	(23,514)
Total liabilities and fund balance	$ 10,626

See notes to financial statements

City of Stoughton Tax Incremental District No. 9

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

	Year Ended	From Date of Creation
Project Costs		
Administration (in-house)	$ 19,475	$ 19,475
Professional services, planning, engineering, other	38,528	38,528
Total project costs	58,003	58,003
Project Revenues		
Miscellaneous revenue	33,985	33,985
Investment income	504	504
Total project revenues	34,489	34,489
Net cost (recovered) to be recovered through TIF increments, December 31, 2022	$ 23,514	$ 23,514

See notes to financial statements

City of Stoughton Tax Incremental District No. 9

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2022 and From Date of Creation Through December 31, 2022

	Year Ended	From Date of Creation
Sources of Funds		
Investment income	$ 504	$ 504
Miscellaneous revenue	33,985	33,985
Total sources of funds	34,489	34,489
Uses of Funds		
Administration (in-house)	19,475	19,475
Professional services, planning, engineering, other	38,528	38,528
Total uses of funds	58,003	58,003
Excess (deficiency) of sources of funds over uses of funds	(23,514)	(23,514)
Fund Balance, Beginning	-	-
Fund Balance (Deficit), Ending	$ (23,514)	$ (23,514)

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Stoughton's Tax Incremental District No. 4, No. 5, No. 6, No. 7, No. 8 and No. 9 (the Districts) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Stoughton (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 Districts. The accompanying financial statements reflect all the significant operations of the Districts. The accompanying financial statements do not include the full presentation of the City.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the Districts. The summary statements were prepared from data recorded in the following funds and the City's long-term debt:

Debt Service Fund
Capital Projects Fund

Detailed descriptions of the purpose of these funds 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.

The Districts 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 Districts. The tax on the increased value is called a tax increment.

The statutes allow the Districts to collect tax increments until the net project cost has been fully recovered, or until 27 years for TID Nos. 4, 5 and 8 and 20 years for TID Nos. 6, 7 and 9, 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 Districts.

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	01/01/1999	03/23/2021	2026
TID No. 5	01/01/2010	03/12/2032	2037
TID No. 6	01/01/2015	09/29/2030	2036
TID No. 7	01/01/2015	11/11/2029	2035
TID No. 8	01/01/2018	07/24/2040	2046
TID No. 9	01/01/2022	04/12/2038	2043

Plan Amendment

	Adoption Date
TID No. 4 Amendment No. 1	09/26/2006
TID No. 4 Amendment No. 2	01/12/2010
TID No. 4 Amendment No. 3	01/12/2021
TID No. 5 Amendment No. 1	07/24/2018
TID No. 7 Amendment No. 1	05/20/2020

Basis of Accounting

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

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

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and unavailable revenues. There are no special assessments receivables as of the date of this report.

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

Use of Estimates

The preparation of financial statements in conformity with 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.

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.

Project Plan Budget

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

Long-Term Debt

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.

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.

2. Cash and Temporary Investments

The Districts invest 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 Districts, as funds of the City, maintain 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 Districts.

3. Long-Term Debt

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 District funds. If those revenues are not sufficient, payments will be made by future tax levies or utility revenues, as applicable.

	Original Amount Borrowed	Repaid	Balance 12-31-22
TIF District No. 4			
02/23/99 State Trust Fund Loan - 5.25%	$ 162,000	$ 162,000	$ -
08/09/00 State Trust Fund Loan - 5.25%	355,080	355,080	-
06/01/01 Promissory Note - 4.10 - 4.60%	1,025,000	1,025,000	-
06/01/01 Promissory Note - 4.10 - 4.60%	154,427	154,427	-
06/15/03 Promissory Note - 3.00 - 3.375%	292,105	292,105	-
06/22/04 State Trust Fund Loan - 4.00%	213,746	213,746	-
04/14/09 Promissory Note 1.60 - 3.85%	163,392	163,392	-
04/13/10 G.O. Refunding Bonds - 1.00 - 3.25%	795,000	795,000	-
Total	$ 3,160,750	$ 3,160,750	$ -

	Original Amount Borrowed	Repaid	Balance 12-31-22
TIF District No. 5			
12/28/16 State Trust Fund Loan - 3.50%	$ 850,000	$ 168,090	$ 681,910
06/08/17 G.O. Notes - 2.00 - 3.00%	300,000	107,827	192,173
04/26/18 G.O. Notes - 3.25 - 4.00%	348,750	45,000	303,750
Total	$ 1,498,750	$ 320,917	$ 1,177,833

Aggregate maturities are as follows:

	Principal	Interest	Total
Calendar years:			
2023	$ 115,700	$ 38,500	$ 154,200
2024	117,673	60,502	178,175
2025	131,411	30,209	161,620
2026	136,247	25,836	162,083
2027	147,745	21,383	169,128
2028 - 2032	299,664	103,176	402,840
2033 - 2036	229,393	20,421	249,814
Total	$ 1,177,833	$ 300,027	$ 1,477,860

	Original Amount Borrowed	Repaid	Balance 12-31-22
TIF District No. 6			
06/08/17 Promissory Notes - 2.00 - 3.00%	$ 505,000	$ 240,000	$ 265,000
03/26/19 Promissory Notes - 2.125 - 4.00%	2,618,709	291,379	2,327,330
Total	$ 3,123,709	$ 531,379	$ 2,592,330

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

	Principal	Interest	Total
Calendar years:			
2023	$ 350,345	$ 68,109	$ 418,454
2024	363,793	56,737	420,530
2025	377,759	44,263	422,022
2026	391,207	31,528	422,735
2027	400,172	20,705	420,877
2028 - 2029	709,054	16,709	725,763
Total	$ 2,592,330	$ 238,051	$ 2,830,381

	Original Amount Borrowed	Repaid	Balance 12-31-22
TIF District No. 7			
10/21/15 Note Anticipation Notes 1.250%	$ 4,775,000	$ 4,775,000	$ -
04/26/18 G.O. Bonds - 2.00 - 4.00%	4,090,000	795,000	3,295,000
06/09/22 G.O. Bonds - 3.00 - 4.00%	700,000	-	700,000
Total	$ 9,565,000	$ 5,570,000	$ 3,995,000

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Calendar years:			
2023	$ 260,000	$ 137,722	$ 397,722
2024	270,000	122,500	392,500
2025	270,000	114,400	384,400
2026	275,000	106,225	381,225
2027	290,000	96,475	386,475
2028 - 2032	1,620,000	307,075	1,927,075
2033 - 2037	825,000	73,225	898,225
2038 - 2042	185,000	19,100	204,100
Total	$ 3,995,000	$ 976,722	$ 4,971,722

	Original Amount Borrowed	Repaid	Balance 12-31-22
TIF District No. 8			
04/26/18 G.O. Bonds - 2.00 - 4.00%	$ 426,250	$ 55,000	$ 371,250
03/26/19 Promissory Notes - 2.125 - 4.00%	302,159	33,621	268,538
06/09/22 G.O. Bonds - 3.00 - 4.00%	690,000	-	690,000
Total	$ 1,418,409	$ 88,621	$ 1,329,788

Debt service requirements to maturity are as follows:

	Principal	Interest	Total
Calendar years:			
2023	$ 127,405	$ 49,324	$ 176,729
2024	128,957	37,694	166,651
2025	132,741	32,993	165,734
2026	137,043	28,138	165,181
2027	140,828	23,665	164,493
2028 - 2032	322,814	78,001	400,815
2033 - 2037	175,000	48,138	223,138
2038 - 2042	165,000	15,900	180,900
Total	$ 1,329,788	$ 313,853	$ 1,643,641

4. Advances From/Due to City General Fund

The general fund is advancing funds to TIF Districts No. 4, No. 5, No. 6, No. 8 and No. 9. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. No interest is being charged. A repayment schedule has not been established.

5. Increment Sharing

In 2006, the City and joint review board approved sharing increments from TIF District No. 2 (donor district, subsequently closed) to TIF District No. 4 (donee district). Transfers were approved to begin in 2007. State statutes limit the number of years a District may share increments to ten. The increment sharing with TIF District No. 4 was allowable for years 2007 through 2009. TIF District No. 2 was closed in 2009.

In 2007, the City and joint review board approved sharing increments from TIF District No. 3 (donor district) to TIF District No 4 (donee district). Transfers began in 2007 and were valid for a five-year period. TIF District No. 3 was closed in 2021. Details of transfers are as follows:

Years	TID No. 2	TID No. 3	Total Contributions
2007	$ 106,997	$ -	$ 106,997
2008	94,532	133,893	228,425
2009	97,243	49,404	146,647
2010	-	237,402	237,402
2011	-	685,553	685,553
Total	$ 298,772	$ 1,106,252	$ 1,405,024

In 2021, the City and joint review board approved sharing increments from TIF District No. 4 (donor district) to TIF District Nos. 5 and 8 (donee districts). During 2021, TIF District No. 4 contributed $25,000 and $386,821 to TIF Districts Nos. 5 and 8, respectively. During 2022, TIF District No. 4 contributed additional $153,850 and $14,502 to TIF Districts Nos. 5 and 8, respectively.

6. Transfers From Other Funds

The City has transferred funds to TIF District No. 5 to cover deficits over the years. It is the intent of the City to have TIF District No. 5 repay the general fund for these transfers contingent upon future availability of funds.

The following is a historical summary of transfers for TIF District No. 5:

Year ending December 31:		
2010	$	100,000

7. Developer Agreements

TIF District No. 6 has entered into a developer agreement with North American Fur Auction (NAFA) where the City shall construct the City improvements and provide a noncash development incentive, by conveying a piece of land in the amount of $377,000. The City fulfilled its obligation during 2017. During 2020, NAFA declared bankruptcy.

TIF District No. 7 has entered into a developer agreement where the TID shall reimburse Developer for off-site public improvements in the amount of $3,763,230. The City fulfilled its obligation during 2017.

8. Developer Payments

During 2022, TIF District No. 7 has made a developer agreement to Kettle Park West, LLC of $804,118.

No developer payments were made by TIF District Nos. 4, 5, 6, 8 and 9 for 2022.

9. Guaranteed Revenue

TIF District No. 4 had entered into a development agreement with The Plaza Group (the Developer) for the Kegonza Plaza development. The agreement guarantees that the Developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee agreement shall terminate when the City of Stoughton has collected from the tax increment generated from the District or paid under the agreement the full amounts guaranteed. From years 2000 through 2006 the Developer failed to generate the required tax increments and, therefore, made payments to the City of Stoughton totaling $43,902. As of December 31, 2022, the City of Stoughton has received all agreed-upon amounts either through actual increment or guaranteed revenue payments.

TIF District No. 5 has entered into a development agreement with Movin' Out Development, LLC (the Developer). The agreement guarantees that the Developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation shall terminate when the City has collected from the tax increment generated from the District or been paid under this agreement the full amount of the project costs of not less than $610,753 plus 5% interest accruing from January 1, 2012. Guarantee payments received as of December 31, 2022 were $130,168.

TIF District No. 6 has entered into a development agreement with NAFA. The agreement guarantees the assessed value of NAFA's property will be not less than $1,100,000, $3,500,000 and $5,000,000 by January 1, 2018, 2019 and 2021 respectively. Beginning calendar year 2019, NAFA shall pay the difference between the guaranteed tax increment on the assessed values and the tax increment actually levied. The agreement shall continue until TIF District No. 6 has terminated. As noted above, NAFA declared bankruptcy in 2020. Total guarantee payments received as of December 31, 2022 were $52,159, with a final payment of $35,000 received in 2022.

TIF District No. 6 has entered into a development agreement with GIP-Glacier Moraine, LLC (the Developer). The agreement guarantees that the Developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation shall terminate on December 15, 2024, when the City has collected from the tax increment generated from the District or been paid under this agreement the full amount of the project costs of not less than $550,000. Increments generated as of December 31, 2022 were $125,220.

TIF District No. 7 has entered into a development agreement with Kettle Park West, LLC (KPW). The agreement guarantees that beginning in calendar year 2018, the actual tax increment will be sufficient to fully pay the annual debt service on City borrowing. The Developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation shall terminate in 2034 or when the TIF District No. 7 has been terminated - whichever is sooner. TIF guarantee payments received in years 2019-2021 was $98,108. TIF guarantee payment received in 2022 was $29,651.

10. Municipal Revenue Obligation

In 2020, the City issued a municipal revenue obligation as part of a development agreement. The amount of the obligation was $3,000,000 and is payable to the Developer solely from tax increments collected from a specific portion of the development in TIF District No.7.

Payments are scheduled through the year 2035 or when TIF District No. 7 has been terminated, whichever is sooner and carry an interest rate of 6%. The obligation does not constitute a charge upon any funds of the City. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the City. Since the amount of future payments is contingent on the collection of future TIF increments, the obligation is not reported as a liability in the accompanying financial statements. During 2022, the City paid $804,118 and the balance of the commitment outstanding at year end was $2,195,882.

In 2014, the City entered into a similar municipal revenue obligation developer agreement in the amount of $550,000. TIF District No. 7 paid the entire amount in 2021.