

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

Financial Statements

December 31, 2021

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

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December 31, 2021

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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 and No. 8 (Districts) as of and for the year ended December 31, 2021 and from the date of creation through December 31, 2021, 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, 2021, 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 14, 2022

City of Stoughton Tax Incremental District No. 4

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 20,651
Taxes receivable	<u>163,178</u>
Total assets	<u><u>\$ 183,829</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 15,645</u>
Total liabilities	<u>15,645</u>
Deferred Inflows of Resources	
Unearned revenues	<u>163,178</u>
Total deferred inflows of resources	<u>163,178</u>
Fund Balance	
Restricted	<u>5,006</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 183,829</u></u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 4

Historical Summary of Project Costs, Project Revenues
and Net Cost Recovered Through Tax Increments

Year Ended December 31, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 5,059	\$ 2,982,421
Administration (in-house)	-	70,139
Department of Revenue fees	150	600
Revolving loan fund	15,000	265,000
Professional services, planning, engineering, other	15,357	331,027
Debt issuance costs	-	26,075
Contribution to other districts	411,821	411,821
Interest on long-term debt	-	802,998
	<hr/>	<hr/>
Total project costs	447,387	4,890,081
Project Revenues		
Tax increments	174,190	2,996,688
Exempt computer aid	1,775	61,120
Intergovernmental	9,555	105,036
Contribution from other districts	-	1,405,024
Investment income	112	169,745
Sale of property	60,212	65,762
Miscellaneous revenue	4,148	47,810
Developer guarantees	-	43,902
	<hr/>	<hr/>
Total project revenues	249,992	4,895,087
	<hr/>	<hr/>
Net cost (recovered) to be recovered through TIF increments, December 31, 2021	\$ 197,395	\$ (5,006)
	<hr/> <hr/>	<hr/> <hr/>

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, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 174,190	\$ 2,996,688
Exempt computer aid	1,775	61,120
Intergovernmental	9,555	105,036
Contribution from other districts	-	1,405,024
Investment income	112	169,745
Sale of property	60,212	65,762
Miscellaneous revenue	4,148	47,810
Developer guarantees	-	43,902
Long-term debt issued	-	<u>3,160,750</u>
Total sources of funds	<u>249,992</u>	<u>8,055,837</u>
Uses of Funds		
Capital expenditures	5,059	2,982,421
Administration (in-house)	-	70,139
Department of Revenue fees	150	600
Revolving loan fund	15,000	265,000
Professional services, planning, engineering, other	15,357	331,027
Debt issuance costs	-	26,075
Contribution to other districts	411,821	411,821
Interest on long-term debt	-	802,998
Principal on long-term debt	-	<u>3,160,750</u>
Total uses of funds	<u>447,387</u>	<u>8,050,831</u>
Excess (deficiency) of sources of funds over uses of funds	(197,395)	5,006
Beginning Fund Balance	<u>202,401</u>	<u>-</u>
Ending Fund Balance	<u>\$ 5,006</u>	<u>\$ 5,006</u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 5

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 71,056
Taxes receivable	<u>66,352</u>
Total assets	<u><u>\$ 137,408</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Advance from city general fund	<u>\$ 761,320</u>
Total liabilities	<u>761,320</u>
Deferred Inflows of Resources	
Unearned revenues	<u>66,352</u>
Total deferred inflows of resources	<u>66,352</u>
Fund Balance	
Unassigned (deficit)	<u>(690,264)</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 137,408</u></u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 5

Historical Summary of Project Costs, Project Revenues
and Net Cost Recovered Through Tax Increments

Year Ended December 31, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ -	\$ 2,717,912
Professional services, planning, engineering, other	825	51,082
Department of Revenue fees	150	1,600
Interest on advances	-	96,965
Debt issuance costs	-	18,157
Interest on long-term debt	45,230	191,557
	<hr/>	<hr/>
Total project costs	46,205	3,077,273
Project Revenues		
Tax increments	49,621	130,446
Transfer from other funds	-	100,000
Contribution from other districts	25,000	25,000
Exempt computer aid	39,592	238,761
Intergovernmental	-	350,000
Developer guarantees	-	130,168
Investment income	2	5,724
Land sales	-	116,616
Miscellaneous revenues	-	1,000
	<hr/>	<hr/>
Total project revenues	114,215	1,097,715
	<hr/>	<hr/>
Net cost (recovered) to be recovered through TIF increments, December 31, 2021	\$ (68,010)	\$ 1,979,558
	<hr/>	<hr/>
Reconciliation of Recoverable Costs		
General obligation debt		\$ 1,289,294
Add fund balance deficit		<hr/> 690,264
		<hr/>
Net costs to be recovered through tax increments, December 31, 2021		\$ 1,979,558
		<hr/>

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, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 49,621	\$ 130,446
Transfers from other funds	-	100,000
Contribution from other districts	25,000	25,000
Exempt computer aid	39,592	238,761
Intergovernmental	-	350,000
Developer guarantees	-	130,168
Investment income	2	5,724
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Long-term debt issued	-	1,498,750
	<u>114,215</u>	<u>2,596,465</u>
Uses of Funds		
Capital expenditures	-	2,717,912
Professional services, planning, engineering, other	825	51,082
Department of Revenue fees	150	1,600
Interest on advance	-	96,965
Debt issuance costs	-	18,157
Interest on long-term debt	45,230	191,557
Principal on long-term debt	67,708	209,456
	<u>113,913</u>	<u>3,286,729</u>
Excess (deficiency) of sources of funds over uses of funds	302	(690,264)
Beginning Fund Balance (Deficit)	<u>(690,566)</u>	<u>-</u>
Ending Fund Balance (Deficit)	<u>\$ (690,264)</u>	<u>\$ (690,264)</u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 6

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 689,191
Taxes receivable	<u>65,877</u>
Total assets	<u><u>\$ 755,068</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 37,365
Advances from city general fund	<u>140,399</u>
Total liabilities	<u>177,764</u>
Deferred Inflows of Resources	
Unearned revenues	<u>65,877</u>
Total deferred inflows of resources	<u>65,877</u>
Fund Balance	
Restricted	<u>511,427</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 755,068</u></u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 6

Historical Summary of Project Costs, Project Revenues
and Net Cost Recovered Through Tax Increments

Year Ended December 31, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ -	\$ 2,546,895
Professional services, planning, engineering, other	10,409	209,118
Department of Revenue fees	150	600
Debt issuance cost	-	36,163
Interest on long-term debt	83,731	128,708
	<u>94,290</u>	<u>2,921,484</u>
Project Revenues		
Tax increments	24,306	73,674
Tax levy	125,000	125,000
Investment income	158	39,114
Developer guarantee	-	52,159
Land Sales	-	173,230
Premium on long-term debt	-	14,080
Miscellaneous revenues	-	21,945
	<u>149,464</u>	<u>499,202</u>
Net cost (recovered) to be recovered through TIF increments, December 31, 2021	<u>\$ (55,174)</u>	<u>\$ 2,422,282</u>
Reconciliation of Recoverable Costs		
General obligation debt		\$ 2,933,709
Less fund balance		<u>(511,427)</u>
Net costs to be recovered through tax increments, December 31, 2021		<u>\$ 2,422,282</u>

City of Stoughton Tax Incremental District No. 6

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2021 and From Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	\$ 24,306	\$ 73,674
Tax levy	125,000	125,000
Investment income	158	39,114
Developer guarantee	-	52,159
Miscellaneous revenues	-	21,945
Land sales	-	173,230
Premium on long-term debt	-	14,080
Long-term debt issued	-	3,123,709
	<hr/>	<hr/>
Total sources of funds	149,464	3,622,911
Uses of Funds		
Capital expenditures	-	2,546,895
Professional services, planning, engineering, other	10,409	209,118
Department of Revenue fees	150	600
Debt issuance cost	-	36,163
Interest on long-term debt	83,731	128,708
Principal on long-term debt	50,000	190,000
	<hr/>	<hr/>
Total uses of funds	144,290	3,111,484
	<hr/>	<hr/>
Excess of sources of funds over uses of funds	5,174	511,427
	<hr/>	<hr/>
Beginning Fund Balance	506,253	-
	<hr/>	<hr/>
Ending Fund Balance	<u>\$ 511,427</u>	<u>\$ 511,427</u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 7

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 561,534
Taxes receivable	832,281
Accounts receivable	<u>32,917</u>
Total assets	<u><u>\$ 1,426,732</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable and deposits	<u>\$ 1,316</u>
Total liabilities	<u>1,316</u>
Deferred Inflows of Resources	
Unearned revenues	<u>847,106</u>
Total deferred inflows of resources	<u>847,106</u>
Fund Balance	
Restricted	<u>578,310</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 1,426,732</u></u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 7

Historical Summary of Project Costs, Project Revenues
and Net Cost Recovered Through Tax Increments

Year Ended December 31, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ -	\$ 4,444,071
Developer payments	550,000	550,000
Administration (in-house)	-	32,511
Professional services, planning, engineering, other	4,826	23,038
Department of Revenue fees	150	450
Debt issuance costs	-	102,678
Interest on long-term debt	119,725	582,700
	<u>674,701</u>	<u>5,735,448</u>
Project Revenues		
Tax Increments	762,486	2,493,530
Premium on long-term debt	-	160,820
Investment income	104	31,026
Intergovernmental grants	(1,959)	-
Developer guarantees	31,684	98,108
Miscellaneous revenue	-	15,274
	<u>792,315</u>	<u>2,798,758</u>
Total project costs		
Total project revenues		
Net cost (recovered) to be recovered through TIF increments, December 31, 2021	<u>\$ (117,614)</u>	<u>\$ 2,936,690</u>
Reconciliation of Recoverable Costs		
Long-term debt		\$ 3,515,000
Less fund balance		<u>(578,310)</u>
Net costs to be recovered through tax increments, December 31, 2021		<u>\$ 2,936,690</u>

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, 2021 and From Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	\$ 762,486	\$ 2,493,530
Investment income	104	31,026
Premium on long-term debt	-	160,820
Long-term debt issued	-	8,865,000
Intergovernmental grants	(1,959)	-
Developer guarantees	31,684	98,108
Miscellaneous revenue	-	15,274
	<hr/>	<hr/>
Total sources of funds	792,315	11,663,758
	<hr/>	<hr/>
Uses of Funds		
Capital expenditures	-	4,444,071
Developer payments	550,000	550,000
Administration (in-house)	-	32,511
Professional services, planning, engineering, other	4,826	23,038
Department of Revenue fees	150	450
Debt issuance cost	-	102,678
Interest on long-term debt	119,725	582,700
Principal on long-term debt	215,000	5,350,000
	<hr/>	<hr/>
Total uses of funds	889,701	11,085,448
	<hr/>	<hr/>
Excess (deficiency) of sources of funds over uses of funds	(97,386)	578,310
	<hr/>	<hr/>
Beginning Fund Balance	675,696	-
	<hr/>	<hr/>
Ending Fund Balance	<u>\$ 578,310</u>	<u>\$ 578,310</u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 8

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 450,153
Taxes receivable	<u>6,890</u>
Total assets	<u><u>\$ 457,043</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	\$ 796
Advance from city general fund	<u>144,304</u>
Total liabilities	<u>145,100</u>
Deferred Inflows of Resources	
Unearned revenues	<u>91,380</u>
Total deferred inflows of resources	<u>91,380</u>
Fund Balance	
Restricted	<u>220,563</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 457,043</u></u>

See notes to financial statements

City of Stoughton Tax Incremental District No. 8

Historical Summary of Project Costs, Project Revenues
and Net Cost Recovered Through Tax Increments

Year Ended December 31, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 62,615	\$ 767,835
Department of Revenue fees	150	1,450
Professional services, planning, engineering, other	46,275	189,067
Debt issuance costs	-	3,783
Interest on long-term debt	24,741	64,957
	<u>133,781</u>	<u>1,027,092</u>
Project Revenues		
Tax increments	5,596	5,596
Tax levy	24,741	24,741
Intergovernmental	-	95,500
Contribution from other districts	386,821	386,821
Premium on long-term debt	-	1,625
Investment income	5	4,963
	<u>417,163</u>	<u>519,246</u>
Net cost (recovered) to be recovered through TIF increments, December 31, 2021	<u>\$ (283,382)</u>	<u>\$ 507,846</u>
Reconciliation of Recoverable Costs		
Long-term debt		\$ 728,409
Less fund balance		<u>(220,563)</u>
Net costs to be recovered through tax increments, December 31, 2021		<u>\$ 507,846</u>

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, 2021 and From Date of Creation Through December 31, 2021

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 5,596	\$ 5,596
Tax levy	24,741	24,741
Investment income	5	4,963
Intergovernmental	-	95,500
Contribution from other districts	386,821	386,821
Premium on long-term debt	-	1,625
Long-term debt issued	-	728,409
	<u>417,163</u>	<u>1,247,655</u>
Uses of Funds		
Capital expenditures	62,615	767,835
Department of Revenue fees	150	1,450
Professional services, planning, engineering, other	46,275	189,067
Debt issuance cost	-	3,783
Interest on long-term debt	24,741	64,957
	<u>133,781</u>	<u>1,027,092</u>
Total uses of funds	<u>133,781</u>	<u>1,027,092</u>
Excess of sources of funds over uses of funds	283,382	220,563
Beginning Fund Balance (Deficit)	<u>(62,819)</u>	<u>-</u>
Ending Fund Balance	<u><u>\$ 220,563</u></u>	<u><u>\$ 220,563</u></u>

See notes to financial statements

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

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the City of Stoughton's Tax Incremental Districts No. 4, No. 5, No. 6, No. 7 and No. 8 (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 and Account Group Structure

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 were 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 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 and 7, 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

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
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

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

Notes to Financial Statements
December 31, 2021

Plan Amendments

	<u>Adoption Date</u>
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 City 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 Budgets

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

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

Notes to Financial Statements
December 31, 2021

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 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 their 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. 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.

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

Notes to Financial Statements
 December 31, 2021

	Original Amount Borrowed	Repaid	Balance 12-31-21
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	<u>\$ 3,160,750</u>	<u>\$ 3,160,750</u>	<u>\$ -</u>

	Original Amount Borrowed	Repaid	Balance 12-31-21
TIF District No. 5			
12/28/16 State Trust Fund Loan – 3.50%	\$ 850,000	\$ 130,808	\$ 719,192
06/08/17 G.O. Notes – 2.00 – 3.00%	300,000	78,648	221,352
04/26/18 G.O. Notes – 3.25 – 4.00%	348,750	-	348,750
Total	<u>\$ 1,498,750</u>	<u>\$ 209,456</u>	<u>\$ 1,289,294</u>

Aggregate maturities are as follows:

Calendar Year	Principal	Interest	Total
2022	\$ 111,461	\$ 42,389	\$ 153,850
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 – 2031	394,851	114,664	509,515
2032 – 2036	281,951	30,316	312,267
Total	<u>\$ 1,289,294</u>	<u>\$ 342,416</u>	<u>\$ 1,631,710</u>

	Original Amount Borrowed	Repaid	Balance 12-31-21
TIF District No. 6			
06/08/17 Promissory Notes – 2.00 – 3.00%	\$ 505,000	\$ 190,000	\$ 315,000
03/26/19 Promissory Notes – 2.125 – 4.00%	2,618,709	-	2,618,709
Total	<u>\$ 3,123,709</u>	<u>\$ 190,000</u>	<u>\$ 2,933,709</u>

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

Notes to Financial Statements
 December 31, 2021

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>Total</u>
2022	\$ 341,379	\$ 78,234	\$ 419,613
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 - 2029	1,109,226	37,415	1,146,641
Total	<u>\$ 2,933,709</u>	<u>\$ 316,286</u>	<u>\$ 3,249,995</u>
	Original Amount Borrowed	Repaid	Balance 12-31-21
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	575,000	3,515,000
Total	<u>\$ 8,865,000</u>	<u>\$ 5,350,000</u>	<u>\$ 3,515,000</u>

Debt service requirements to maturity are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 220,000	\$ 114,275	\$ 334,275
2023	225,000	107,600	332,600
2024	235,000	100,700	335,700
2025	240,000	93,575	333,575
2026	245,000	86,300	331,300
2027 - 2031	1,390,000	280,225	1,670,225
2032 - 2034	960,000	46,463	1,006,463
Total	<u>\$ 3,515,000</u>	<u>\$ 829,138</u>	<u>\$ 4,344,138</u>
	Original Amount Borrowed	Repaid	Balance 12-31-21
TIF District No. 8			
04/26/18 G.O. Bonds – 2.00 – 4.00%	\$ 426,250	\$ -	\$ 426,250
03/26/19 Promissory Notes – 2.125 – 4.00%	302,159	-	302,159
Total	<u>\$ 728,409</u>	<u>\$ -</u>	<u>\$ 728,409</u>

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

Notes to Financial Statements
 December 31, 2021

Debt service requirements to maturity are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 88,621	\$ 23,136	\$ 111,757
2023	92,405	19,857	112,262
2024	93,957	16,394	110,351
2025	97,741	12,743	110,484
2026	102,043	8,938	110,981
2027 - 2029	253,642	8,515	262,157
Total	<u>\$ 728,409</u>	<u>\$ 89,583</u>	<u>\$ 817,992</u>

4. Advances From/Due to City General Fund

The general fund is advancing funds to TIF Districts No. 5, No. 6 and No. 8. 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.

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). TIF District No. 4 contributed \$25,000 and \$386,821 to TIF Districts Nos. 5 and 8, respectively.

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

Notes to Financial Statements
December 31, 2021

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	<u>\$ 100,000</u>

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

No developer payments were made by TIF District Nos. 4, 5, 6, 7 and 8 for 2021.

9. Guaranteed Revenue

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 percent interest accruing from January 1, 2012. There were no TIF guarantee payments received in 2021.

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. There were no TIF guarantee payments received in 2021. There is a receivable recorded in the amount of \$125,532 for guarantee payments owed to the City, however, an allowance has been recorded to offset the entire receivable balance.

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 payment received in 2021 was \$31,684.

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

Notes to Financial Statements
December 31, 2021

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 percent. 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. The balance of the commitment outstanding at year end was \$3,000,000.

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.