CITY OF STOUGHTON
TAX INCREMENTAL
DISTRICTS NO. 3, NO. 4, NO. 5,
NO. 6 AND NO. 7

COMPILED
FINANCIAL STATEMENTS

Including Accountant's Compilation Report

As of and for the Year Ended December 31, 2017 and
From the Date of Creation Through December 31, 2017

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6 and NO. 7

COMPILED
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From the Dates of Creation Through December 31, 2017

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ACCOUNTANTS' COMPILATION REPORT

To the City Council
City of Stoughton
Stoughton, 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 Stoughton's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, and No. 7 ("the districts") as of and for the year ended December 31, 2017 and from the date of creation through December 31, 2017, 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, 2017, and the changes in its financial position 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 required 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 30, 2018

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
BALANCE SHEET
As of December 31, 2017

	Capital Projects Fund
ASSETS	
Cash and investments	$ 380,069
Taxes receivable	491,691
TOTAL ASSETS	$ 871,760
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Deferred Inflows of Resources	
Unearned revenues	$ 491,691
Total Deferred Inflows of Resources	491,691
Fund Balance	
Restricted	380,069
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 871,760

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 5,571,359
Professional services - planning, engineering, other	2,970	140,946
Debt issuance cost	-	20,162
Interest on long-term debt	37,269	1,369,290
Contributions to other districts	-	1,106,252
Total Project Costs	40,239	8,208,009
PROJECT REVENUES		
Tax increments	492,440	4,738,190
Intergovernmental	3,254	22,935
Developer guarantees	16,091	48,586
Public charges for services	-	12,942
Contribution from other district	-	742,340
Transfer from other funds	-	181,304
Investment income	1,532	56,694
Land sales	-	1,383,920
Miscellaneous revenues	-	148,244
Total Project Revenues	513,317	7,335,155
NET COST (RECOVERED) TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2017	$ (473,078)	$ 872,854
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ 1,252,923
Fund balance		(380,069)
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2017		$ 872,854

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 492,440	$ 4,738,190
Intergovernmental	3,254	22,935
Developer guarantees	16,091	48,586
Public charges for services	-	12,942
Contribution from other district	-	742,340
Transfers from other funds	-	181,304
Investment income	1,532	56,694
Land sales	-	1,383,920
Miscellaneous revenues	-	148,244
Long-term debt issued	-	6,257,496
Total Sources of Funds	513,317	13,592,651
USES OF FUNDS		
Capital expenditures	-	5,571,359
Professional services - planning, engineering, other	2,970	140,946
Debt issuance cost	-	20,162
Contribution to other district	-	1,106,252
Interest on long-term debt	37,269	1,369,290
Principal on long-term debt	403,210	5,004,573
Total Uses of Funds	443,449	13,212,582
Excess of sources of funds over uses of funds	69,868	380,069
BEGINNING FUND BALANCE	310,201	-
ENDING FUND BALANCE	$ 380,069	$ 380,069

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
BALANCE SHEET
As of December 31, 2017

	Capital Projects Fund
ASSETS	
Cash and investments	$ 1,042,022
Taxes receivable	182,466
TOTAL ASSETS	$ 1,224,488
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	$ 4,494
Total Liabilities	4,494
Deferred Inflows of Resources	
Unearned revenues	182,466
Total Deferred Inflows of Resources	182,466
Fund Balance	
Restricted	1,037,528
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 1,224,488

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,
AND NET COST RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 2,309,568
Revolving loan fund	-	51,500
Professional services - planning, engineering, other	5,384	81,303
Debt issuance costs	-	26,075
Interest on long-term debt	10,483	788,798
Total Project Costs	15,867	3,257,244
PROJECT REVENUES		
Tax increments	180,832	2,284,969
Intergovernmental	1,708	139,237
Contribution from other districts	-	1,405,024
Miscellaneous revenues	-	48,691
Investment income	10,674	121,851
Total Project Revenues	193,214	3,999,772
NET COST (RECOVERED) THROUGH TIF INCREMENTS - DECEMBER 31, 2017	$ (177,347)	$ (742,528)
RECONCILIATION OF RECOVERED COSTS		
General obligation debt		$ 295,000
Fund balance		(1,037,528)
NET COSTS RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2017		$ (742,528)

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 180,832	$ 2,284,969
Intergovernmental	1,708	139,237
Contribution from other districts	-	1,405,024
Miscellaneous revenues	-	48,691
Investment income	10,674	121,851
Long-term debt issued	-	3,160,750
Total Sources of Funds	193,214	7,160,522
USES OF FUNDS		
Capital expenditures	-	2,309,568
Revolving loan fund	-	51,500
Professional services - planning, engineering, other	5,384	81,303
Debt issuance costs	-	26,075
Interest on long-term debt	10,483	788,798
Principal on long-term debt	95,000	2,865,750
Total Uses of Funds	110,867	6,122,994
Excess of sources of funds over uses of funds	82,347	1,037,528
BEGINNING FUND BALANCE	955,181	-
ENDING FUND BALANCE	$ 1,037,528	$ 1,037,528

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
BALANCE SHEET
As of December 31, 2017

	Capital Projects Fund
ASSETS	
Cash and investments	$ 197,996
TOTAL ASSETS	$ 197,996
LIABILITIES AND FUND BALANCE	
Liabilities	
Accounts payable	$ 2,187
Advance from city general fund	598,427
Total Liabilities	600,614
Fund Balance	
Unassigned (deficit)	(402,618)
TOTAL LIABILITIES AND FUND BALANCE	$ 197,996

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	$ 340,693	$ 2,049,110
Professional services - planning, engineering, other	900	46,833
Interest on advances	-	96,965
Total Project Costs	341,593	2,192,908
PROJECT REVENUES		
Tax increments	-	30,147
Transfer from other funds	-	100,000
Intergovernmental	38,097	281,328
Developer guarantees	19,442	109,795
Investment income	1,352	1,404
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Total Project Revenues	58,891	640,290
NET COST TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2017	$ 282,702	$ 1,552,618
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ 1,150,000
Add: Fund balance deficit		402,618
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2017		$ 1,552,618

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ -	$ 30,147
Transfers from other funds	-	100,000
Intergovernmental	38,097	281,328
Developer guarantees	19,442	109,795
Investment income	1,352	1,404
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Long-term debt issued	300,000	1,150,000
Total Sources of Funds	358,891	1,790,290
USES OF FUNDS		
Capital expenditures	340,693	2,049,110
Professional services - planning, engineering, other	900	46,833
Interest on advance	-	96,965
Total Uses of Funds	341,593	2,192,908
Excess (deficiency) of sources of funds over uses of funds	17,298	(402,618)
BEGINNING FUND BALANCE (DEFICIT)	(419,916)	-
ENDING FUND BALANCE (DEFICIT)	$ (402,618)	$ (402,618)

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 6

COMPILED
BALANCE SHEET
As of December 31, 2017

	Capital Projects Fund
ASSETS	$ -
LIABILITIES AND FUND BALANCE (DEFICIT)	
Liabilities	
Accounts payable	$ 16,566
Advances from city general fund	44,817
Total Liabilities	61,383
Fund Balance	
Unassigned (deficit)	(61,383)
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	$ -

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

CITY OF STOUGHTON
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, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	$ 556,831	$ 556,831
Professional services - planning, engineering, other	9,523	28,123
Debt issuance cost	3,374	3,374
Total Project Costs	569,728	588,328
PROJECT REVENUES		
Miscellaneous revenues	21,945	21,945
Total Project Revenues	21,945	21,945
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2017	$ 547,783	$ 566,383
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ 505,000
Add: Fund balance deficit		61,383
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2017		$ 566,383

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 6

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Miscellaneous revenues	$ 21,945	$ 21,945
Long-term debt issued	505,000	505,000
Total Sources of Funds	526,945	526,945
USES OF FUNDS		
Capital expenditures	556,831	556,831
Professional services - planning, engineering, other	9,523	28,123
Debt issuance cost	3,374	3,374
Total Uses of Funds	569,728	588,328
(Deficiency) of sources of funds over uses of funds	(42,783)	(61,383)
BEGINNING FUND BALANCE (DEFICIT)	(18,600)	-
ENDING FUND BALANCE (DEFICIT)	$ (61,383)	$ (61,383)

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 7

COMPILED
BALANCE SHEET
As of December 31, 2017

	Capital Projects Fund
ASSETS	
Cash and investments	$ 1,081,452
Tax roll receivable	415,963
Accounts receivable	11,127
TOTAL ASSETS	$ 1,508,542
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable and deposits	$ 2,930
Total Liabilities	2,930
Deferred Inflows of Resources	
Unearned revenues	415,963
Total Deferred Inflows of Resources	415,963
Fund Balance	
Restricted	1,089,649
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 1,508,542

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

CITY OF STOUGHTON
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, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	$ 75,684	$ 3,764,763
Administration (in-house)	23,678	23,678
Professional services - planning, engineering, other	1,239	5,452
Debt issuance costs	-	45,926
Interest on Long-Term Debt	116,059	116,059
Total Project Costs	216,660	3,955,878
PROJECT REVENUES		
Tax Increments	242,013	242,013
Premium on long-term debt	-	9,120
Investment income	8,449	19,394
Total Project Revenues	250,462	270,527
NET COST TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2017	$ (33,802)	$ 3,685,351
RECONCILIATION OF RECOVERABLE COSTS		
Long-term debt		$ 4,775,000
Fund balance		(1,089,649)
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2017		$ 3,685,351

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 7

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2017
and From the Date of Creation Through December 31, 2017

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 242,013	$ 242,013
Investment income	8,449	19,394
Premium on long-term debt	-	9,120
Long-term debt issued	-	4,775,000
Total Sources of Funds	250,462	5,045,527
USES OF FUNDS		
Capital expenditures	75,684	3,764,763
Administration (in-house)	23,678	23,678
Professional services - planning, engineering, other	1,239	5,452
Debt issuance cost	-	45,926
Interest on long-term debt	116,059	116,059
Total Uses of Funds	216,660	3,955,878
Excess of sources of funds over uses of funds	33,802	1,089,649
BEGINNING FUND BALANCE	1,055,847	-
ENDING FUND BALANCE	$ 1,089,649	$ 1,089,649

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, AND NO. 7

COMPILED
NOTES TO FINANCIAL STATEMENTS
From the Dates of Creation Through December 31, 2017

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Stoughton's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, and No. 7 (the "districts") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Stoughton 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 Districts No. 3, No. 4 No. 5, No. 6, and No. 7. The accompanying financial statements reflect all the significant operations of the City of Stoughton's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, and No. 7. The accompanying financial statements do not include the full presentation of the City of Stoughton.

A. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE

This report contains the financial information of the City of Stoughton's Tax Incremental Districts No. 3, No. 4, No. 5, No. 6, and No. 7. 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 of Stoughton'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. 3, 4, and 5 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 of Stoughton. 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. 3	1-1-1993	11-24-2014	2020
TID No. 4	1-1-1999	3-23-2021	2026
TID No. 5	1-1-2010	3-12-2032	2037
TID No. 6	1-1-2015	9-29-2030	2036
TID No. 7	1-1-2015	11-11-2029	2035

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

A. DESCRIPTION OF FUND AND ACCOUNT GROUP STRUCTURE (cont.)

Plan Amendments

	Adoption Date
TID No. 3 Amendment No. 1	10-23-2007
TID No. 3 Amendment No. 2	10-23-2012
TID No. 4 Amendment No. 1	9-26-2006
TID No. 4 Amendment No. 2	1-12-2010

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.

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.

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.

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

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 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.

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 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 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.

NOTE 2 – CASH AND TEMPORARY INVESTMENTS (cont.)

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

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 Stoughton. Notes and bonds borrowed to finance the districts' expenditures will be retired by tax increments accumulated by the TIF 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 12-31-17
TIF District No. 3				
03/18/93	Promissory Note – 6.00%	$ 189,950	$ 189,950	$ -
10/01/93	Promissory Note – 4.40 – 6.00%	1,980,000	1,980,000	-
05/01/02	Promissory Note – 3.50 – 4.375%	80,483	80,483	-
09/16/02	Refunding Bonds – 3.00 – 3.75%	1,382,063	1,382,063	-
06/26/13	State Trust Fund Loan – 2.75%	1,400,000	772,077	627,923
06/01/14	Promissory Note – 2.00%	1,225,000	600,000	625,000
Totals		$ 6,257,496	$ 5,004,573	$ 1,252,923

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

Calendar Year	Principal	Interest	Totals
2018	$ 408,661	$ 27,718	$ 436,379
2019	419,282	17,967	437,229
2020	425,000	8,029	433,029
Totals	$ 1,252,923	$ 53,714	$ 1,306,637

NOTE 3 – LONG-TERM DEBT (cont.)

A. GENERAL OBLIGATION DEBT (cont.)

		Original Amount Borrowed	Repaid	Balance 12-31-17
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	500,000	295,000
Totals		$ 3,160,750	$ 2,865,750	$ 295,000

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

Calendar Year	Principal	Interest	Totals
2018	$ 95,000	$ 7,775	$ 102,775
2019	100,000	4,800	104,800
2020	100,000	1,625	101,625
Totals	$ 295,000	$ 14,200	$ 309,200

		Original Amount Borrowed	Repaid	Balance 12-31-17
TIF District No. 5				
12/28/16	State Trust Fund Loan – 3.50%	$ 850,000	$ -	$ 850,000
06/08/17	G.O. Notes – 2.00 – 3.00%	300,000	-	300,000
Totals		$ 1,150,000	$ -	$ 1,150,000

NOTE 3 – LONG-TERM DEBT (cont.)

A. GENERAL OBLIGATION DEBT (cont.)

TIF District No. 5 (cont.)

Aggregate maturities are as follows:

Calendar Year	Principal	Interest	Totals
2018	$ 32,811	$ 45,082	$ 77,893
2019	53,462	35,440	88,902
2020	55,475	33,933	89,408
2021	67,708	32,117	99,825
2022	66,461	30,176	96,637
2023-2027	399,026	117,893	516,919
2028-2032	245,664	66,604	312,268
2033-2036	229,393	20,421	249,814
Totals	$ 1,150,000	$ 381,666	$ 1,531,666

	Original Amount Borrowed	Repaid	Balance 12-31-17
TIF District No. 6			
06/08/2017 Promissory Notes – 2.00 – 3.00%	$ 505,000	$ -	$ 505,000

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

Calendar Year	Principal	Interest	Totals
2018	$ 45,000	$ 14,676	$ 59,676
2019	45,000	10,163	55,163
2020	50,000	9,213	59,213
2021	50,000	8,213	58,213
2022	50,000	7,088	57,088
2023-2026	265,000	16,006	281,006
Totals	$ 505,000	$ 65,359	$ 570,359

NOTE 3 – LONG-TERM DEBT (cont.)

B. NOTE ANTICIPATION NOTES

		Original Amount Borrowed	Repaid	Balance 12-31-17
TIF District No. 7				
10/21/15	Note Anticipation Notes – 1.250%	$ 4,775,000	$ -	$ 4,775,000
Total		$ 4,775,000	$ -	$ 4,775,000

Debt service requirements to maturity are as follows:

Calendar Year	Principal	Interest	Totals
2018	$ 4,775,000	$ 59,688	$ 4,834,688
Totals	$ 4,775,000	$ 59,688	$ 4,834,688

NOTE 4 – ADVANCES FROM/DUE TO CITY GENERAL FUND

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

NOTE 5 – INCREMENT SHARING

As allowable under TIF statutes, the city may share positive TIF increments. In 1998, and again in 2003, the city and joint review board approved sharing increments from TIF District No. 2 (donor district, subsequently closed) to TIF District No. 3 (donee district). Such transfers are reflected as recoverable costs in the donor district, and as project revenues in the donee district. TIF increment sharing was valid for a five-year period, and was extended for an additional five years by the joint review board. Transfers between districts are subject to various conditions in the statutes.

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.

NOTE 6 – TRANSFERS FROM OTHER FUNDS

The city has transferred funds to TIF Districts No. 3 and No. 5 to cover deficits over the years. It is the intent of the city to have TIF Districts No. 3 and 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. 3:

1993	$ 30,000
1997	30,212
1998	104,150
2001	10,451
2002	6,491
Totals	$ 181,304

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

2010	$ 100,000

NOTE 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 non-cash development incentive, by conveying a piece of land in the amount of $377,000. City fulfilled its obligation during 2017.

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 TID has reimbursed $3,763,230 as of December 31, 2017.

NOTE 8 – DEVELOPER PAYMENTS

No developer payments were made by TIF 3, 4, 5, 6 and 7 for 2017.

NOTE 9 – GUARANTEED REVENUE

TIF District No. 3 has entered into a development agreement with Nelson Global Products, Inc. (the "developer"). The agreement guarantees the city will receive a tax increment equal to the annual applicable mill rate multiplied by $3,750,000. The developer shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The developer's guarantee obligation shall terminate when the city has collected from the tax increment generated from the district or paid under the agreement not less than $320,600, or when TIF District No. 3 has terminated, whichever occurs first. TIF guarantee payment received in 2017 was $16,091.

NOTE 9 – GUARANTEED REVENUE (cont.)

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. TIF guarantee payment received in 2017 was $19,442.

TIF District No. 6 has entered into a development agreement with North American Fur Auction ("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. There was no guarantee payment due or received in 2017.

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.

NOTE 10 – SUBSEQUENT EVENTS

On April 26, 2018, the city issued general obligation corporate purpose bonds in the amount of $12,585,000 with an interest rate of 2-4%. $4,090,000 of this amount will be used for repayment of 2015 note obligation notes in TIF District No. 7.

On April 26, 2018, the city issued general obligation promissory notes in the amount of $775,000 with an interest rate of 3.2-4%. This amount will be used for TID 5 capital projects.