

**CITY OF STOUGHTON
TAX INCREMENTAL
DISTRICTS NO. 3, NO. 4, NO. 5,
NO. 6, NO. 7, AND NO. 8**

COMPILED
FINANCIAL STATEMENTS

Including Accountant's Compilation Report

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
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From the Dates of Creation Through December 31, 2019

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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, No. 7, and No. 8 ("the districts") as of and for the year ended December 31, 2019 and from the date of creation through December 31, 2019, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the districts and do not purport to, and do not, present fairly the financial position of the City of Stoughton as of December 31, 2019, 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 5, 2020

**CITY OF STOUGHTON
TAX INCREMENTAL DISTRICT NO. 3**

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Cash and investments	\$ 292,736
Taxes receivable	<u>494,843</u>
TOTAL ASSETS	\$ <u>787,579</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Deferred Inflows of Resources	
Unearned revenues	\$ 494,843
Total Deferred Inflows of Resources	<u>494,843</u>
Fund Balance	
Restricted	<u>292,736</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ <u>787,579</u>

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ -	\$ 5,571,359
Professional services - planning, engineering, other	1,305	143,011
Department of Revenue fees	150	300
Developer payments	-	16,091
Debt issuance cost	-	20,162
Interest on long-term debt	17,967	1,414,975
Transfer to other funds	181,304	181,304
Contributions to other districts	-	1,106,252
Total Project Costs	<u>200,726</u>	<u>8,453,454</u>
PROJECT REVENUES		
Tax increments	475,729	5,705,610
Exempt computer aid	3,382	29,619
Intergovernmental	2,316	2,316
Developer guarantees	-	48,586
Public charges for services	-	12,942
Contribution from other district	-	742,340
Transfer from other funds	-	181,304
Investment income	6,466	66,309
Land sales	-	1,383,920
Miscellaneous revenues	-	148,244
Total Project Revenues	<u>487,893</u>	<u>8,321,190</u>
NET COST (RECOVERED) TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2019	<u>\$ (287,167)</u>	<u>\$ 132,264</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 425,000
Fund balance		<u>(292,736)</u>
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS - DECEMBER 31, 2019		<u>\$ 132,264</u>

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 475,729	\$ 5,705,610
Exempt computer aid	3,382	29,619
Intergovernmental	2,316	2,316
Developer guarantees	-	48,586
Public charges for services	-	12,942
Contribution from other district	-	742,340
Transfers from other funds	-	181,304
Investment income	6,466	66,309
Land sales	-	1,383,920
Miscellaneous revenues	-	148,244
Long-term debt issued	-	6,257,496
Total Sources of Funds	487,893	14,578,686
USES OF FUNDS		
Capital expenditures	-	5,571,359
Professional services - planning, engineering, other	1,305	143,011
Department of Revenue fees	150	300
Developer payments	-	16,091
Debt issuance cost	-	20,162
Contribution to other district	-	1,106,252
Transfer to other funds	181,304	181,304
Interest on long-term debt	17,967	1,414,975
Principal on long-term debt	419,262	5,832,496
Total Uses of Funds	619,988	14,285,950
Excess (Deficiency) of Sources of Funds over Uses of Funds	(132,095)	292,736
BEGINNING FUND BALANCE	424,831	-
ENDING FUND BALANCE	\$ 292,736	\$ 292,736

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, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 1,118,938
Taxes receivable	<u>180,369</u>
TOTAL ASSETS	<u>\$ 1,299,307</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 190
Total Liabilities	<u>190</u>
Deferred Inflows of Resources	
Unearned revenues	<u>180,369</u>
Total Deferred Inflows of Resources	<u>180,369</u>
Fund Balance	
Restricted	<u>1,118,748</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,299,307</u>

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ 39,618	\$ 2,073,051
Administration (in-house)	-	70,139
Department of Revenue fees	150	300
Revolving loan fund	65,000	115,000
Professional services - planning, engineering, other	10,100	303,936
Debt issuance costs	-	26,075
Interest on long-term debt	4,800	801,373
Total Project Costs	<u>119,668</u>	<u>3,389,874</u>
PROJECT REVENUES		
Tax increments	174,694	2,642,129
Exempt computer aid	1,775	57,570
Intergovernmental	859	90,274
Contribution from other districts	-	1,405,024
Investment income	23,264	164,173
Sale of property	5,000	5,550
Developer guarantees	-	43,902
Total Project Revenues	<u>205,592</u>	<u>4,408,622</u>
NET COST (RECOVERED) THROUGH TIF INCREMENTS - DECEMBER 31, 2019	<u>\$ (85,924)</u>	<u>\$ (1,018,748)</u>
RECONCILIATION OF RECOVERED COSTS		
General obligation debt		\$ 100,000
Less: Fund balance		<u>(1,118,748)</u>
NET COSTS RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2019		<u>\$ (1,018,748)</u>

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 174,694	\$ 2,642,129
Exempt computer aid	1,775	57,570
Intergovernmental	859	90,274
Contribution from other districts	-	1,405,024
Investment income	23,264	164,173
Sale of property	5,000	5,550
Developer guarantees	-	43,902
Long-term debt issued	-	3,160,750
Total Sources of Funds	<u>205,592</u>	<u>7,569,372</u>
USES OF FUNDS		
Capital expenditures	39,618	2,073,051
Administration (in-house)	-	70,139
Department of Revenue fees	150	300
Revolving loan fund	65,000	115,000
Professional services - planning, engineering, other	10,100	303,936
Debt issuance costs	-	26,075
Interest on long-term debt	4,800	801,373
Principal on long-term debt	<u>100,000</u>	<u>3,060,750</u>
Total Uses of Funds	<u>219,668</u>	<u>6,450,624</u>
Excess (Deficiency) of Sources of Funds over Uses of Funds	(14,076)	1,118,748
BEGINNING FUND BALANCE	<u>1,132,824</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,118,748</u>	<u>\$ 1,118,748</u>

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, 2019

	Capital Projects Fund
ASSETS	
Cash and investments	\$ 83,726
Taxes receivable	<u>50,678</u>
TOTAL ASSETS	<u>\$ 134,404</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities	
Advance from city general fund	\$ 761,320
Total Liabilities	<u>761,320</u>
Deferred Inflows of Resources	
Unearned revenues	<u>50,678</u>
Total Deferred Inflows of Resources	<u>50,678</u>
Fund Balance	
Unassigned (deficit)	<u>(677,594)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 134,404</u>

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ 21,753	\$ 2,717,912
Professional services - planning, engineering, other	850	49,457
Department of Revenue fees	150	1,300
Interest on advances	-	96,965
Debt issuance costs	-	18,157
Interest on long-term debt	54,199	99,281
Total Project Costs	<u>76,952</u>	<u>2,983,072</u>
PROJECT REVENUES		
Tax increments	-	30,147
Transfer from other funds	-	100,000
Exempt computer aid	39,592	159,577
Intergovernmental	-	350,000
Developer guarantees	-	130,168
Investment income	1,311	5,493
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Total Project Revenues	<u>40,903</u>	<u>893,001</u>
NET COST TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2019	<u>\$ 36,049</u>	<u>\$ 2,090,071</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 1,412,477
Add: Fund balance deficit		<u>677,594</u>
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2019		<u><u>\$ 2,090,071</u></u>

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ -	\$ 30,147
Transfers from other funds	-	100,000
Exempt computer aid	39,592	159,577
Intergovernmental	-	350,000
Developer guarantees	-	130,168
Investment income	1,311	5,493
Land sales	-	116,616
Miscellaneous revenues	-	1,000
Long-term debt issued	-	1,498,750
Total Sources of Funds	40,903	2,391,751
USES OF FUNDS		
Capital expenditures	21,753	2,717,912
Professional services - planning, engineering, other	850	49,457
Department of Revenue fees	150	1,300
Interest on advance	-	96,965
Debt issuance costs	-	18,157
Interest on long-term debt	54,199	99,281
Principal on long-term debt	53,462	86,273
Total Uses of Funds	130,414	3,069,345
Deficiency of Sources of Funds over Uses of Funds	(89,511)	(677,594)
BEGINNING FUND BALANCE (DEFICIT)	(588,083)	-
ENDING FUND BALANCE (DEFICIT)	\$ (677,594)	\$ (677,594)

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, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 1,830,548
Taxes receivable	24,831
Accounts Receivable	<u>51,714</u>
TOTAL ASSETS	<u>\$ 1,907,093</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Liabilities	
Accounts payable	\$ 623,639
Advances from city general fund	<u>140,399</u>
Total Liabilities	<u>764,038</u>
Deferred Inflows of Resources	
Unearned revenues	<u>76,545</u>
Total Deferred Inflows of Resources	<u>76,545</u>
Fund Balance	
Restricted	<u>1,066,510</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,907,093</u>

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ 1,321,123	\$ 1,886,125
Professional services - planning, engineering, other	81,481	111,268
Department of Revenue fees	150	300
Debt issuance cost	32,789	36,163
Interest on long-term debt	<u>10,162</u>	<u>24,838</u>
Total Project Costs	<u>1,445,705</u>	<u>2,058,694</u>
PROJECT REVENUES		
Tax increments	24,537	24,537
Investment income	30,468	30,468
Developer guarantee	465	465
Premium on long-term debt	14,080	14,080
Miscellaneous revenues	<u>-</u>	<u>21,945</u>
Total Project Revenues	<u>69,550</u>	<u>91,495</u>
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2019		
	<u>\$ 1,376,155</u>	<u>\$ 1,967,199</u>
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		\$ 3,033,709
Less: Fund balance		<u>(1,066,510)</u>
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2019		
		<u>\$ 1,967,199</u>

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 24,537	\$ 24,537
Investment income	30,468	30,468
Developer guarantee	465	465
Miscellaneous revenues	-	21,945
Premium on long-term debt	14,080	14,080
Long-term debt issued	<u>2,618,709</u>	<u>3,123,709</u>
Total Sources of Funds	<u>2,688,259</u>	<u>3,215,204</u>
USES OF FUNDS		
Capital expenditures	1,321,123	1,886,125
Professional services - planning, engineering, other	81,481	111,268
Department of Revenue fees	150	300
Debt issuance cost	32,789	36,163
Interest on long-term debt	10,162	24,838
Principal on long-term debt	<u>45,000</u>	<u>90,000</u>
Total Uses of Funds	<u>1,490,705</u>	<u>2,148,694</u>
Excess of Sources of Funds over Uses of Funds	1,197,554	1,066,510
BEGINNING FUND BALANCE (DEFICIT)	<u>(131,044)</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 1,066,510</u>	<u>\$ 1,066,510</u>

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, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 426,599
Tax roll receivable	546,395
Accounts receivable	<u>58,125</u>
TOTAL ASSETS	<u>\$ 1,031,119</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable and deposits	\$ 13,403
Total Liabilities	<u>13,403</u>
Deferred Inflows of Resources	
Unearned revenues	<u>579,309</u>
Total Deferred Inflows of Resources	<u>579,309</u>
Fund Balance	
Restricted	<u>438,407</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 1,031,119</u>

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Capital expenditures	\$ -	\$ 4,444,071
Administration (in-house)	-	32,511
Professional services - planning, engineering, other	1,000	7,912
Department of Revenue fees	-	150
Debt issuance costs	-	102,678
Interest on long-term debt	183,149	339,000
Total Project Costs	<u>184,149</u>	<u>4,926,322</u>
PROJECT REVENUES		
Tax Increments	526,673	1,184,649
Premium on long-term debt	-	160,820
Investment income	4,445	28,517
Intergovernmental grants	1,959	1,959
Developer guarantees	33,510	33,510
Miscellaneous revenue	<u>15,274</u>	<u>15,274</u>
Total Project Revenues	<u>581,861</u>	<u>1,424,729</u>
NET COST (RECOVERED) TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2019	<u>\$ (397,712)</u>	<u>\$ 3,501,593</u>
RECONCILIATION OF RECOVERABLE COSTS		
Long-term debt		\$ 3,940,000
Less: Fund balance		<u>(438,407)</u>
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS - DECEMBER 31, 2019		<u>\$ 3,501,593</u>

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	\$ 526,673	\$ 1,184,649
Investment income	4,445	28,517
Premium on long-term debt	-	160,820
Long-term debt issued	-	8,865,000
Intergovernmental grants	1,959	1,959
Developer guarantees	33,510	33,510
Miscellaneous revenue	15,274	15,274
Total Sources of Funds	<u>581,861</u>	<u>10,289,729</u>
USES OF FUNDS		
Capital expenditures	-	4,444,071
Administration (in-house)	-	32,511
Professional services - planning, engineering, other	1,000	7,912
Department of Revenue fees	-	150
Debt issuance cost	-	102,678
Interest on long-term debt	183,149	339,000
Principal on long-term debt	150,000	4,925,000
Total Uses of Funds	<u>334,149</u>	<u>9,851,322</u>
Excess of Sources of Funds over uses of Funds	247,712	438,407
BEGINNING FUND BALANCE	<u>190,695</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 438,407</u>	<u>\$ 438,407</u>

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

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

COMPILED
BALANCE SHEET
As of December 31, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 253,420
TOTAL ASSETS	<u>\$ 253,420</u>
LIABILITIES AND FUND BALANCE (DEFICIT)	
Liabilities	
Accounts payable	\$ 125,797
Advance from city general fund	144,304
Total Liabilities	<u>270,101</u>
Fund Balance (Deficit)	
Unassigned (deficit)	<u>(16,681)</u>
TOTAL LIABILITIES AND FUND BALANCE (DEFICIT)	<u>\$ 253,420</u>

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

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

COMPILED
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
For the Year Ended December 31, 2019
and From the Date of Creation Through December 31, 2019

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	\$ 454,439	\$ 630,736
Department of Revenue fees	150	1,150
Professional services - planning, engineering, other	63,132	92,787
Debt issuance costs	3,783	3,783
Interest on Long-Term Debt	22,928	22,928
Total Project Costs	544,432	751,384
PROJECT REVENUES		
Premium on long-term debt	1,625	1,625
Investment income	4,669	4,669
Total Project Revenues	6,294	6,294
NET COST TO BE RECOVERED THROUGH TIF INCREMENTS - DECEMBER 31, 2019		
	\$ 538,138	\$ 745,090
RECONCILIATION OF RECOVERABLE COSTS		
Long-term debt		\$ 728,409
Add: Fund balance deficit		16,681
NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS – DECEMBER 31, 2019		
		\$ 745,090

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

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

COMPILED
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
For the Year Ended December 31, 2019
and From the Date of Creation Through December 31, 2019

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Investment income	\$ 4,669	\$ 4,669
Premium on long-term debt	1,625	1,625
Long-term debt issued	302,159	728,409
Total Sources of Funds	308,453	734,703
USES OF FUNDS		
Capital expenditures	454,439	630,736
Department of Revenue fees	150	1,150
Professional services - planning, engineering, other	63,132	92,787
Debt issuance cost	3,783	3,783
Interest on long-term debt	22,928	22,928
Total Uses of Funds	544,432	751,384
Deficiency of Sources of Funds over Uses of Funds	(235,979)	(16,681)
BEGINNING FUND BALANCE	219,298	-
ENDING FUND BALANCE (DEFICIT)	\$ (16,681)	\$ (16,681)

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

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
 NOTES TO FINANCIAL STATEMENTS
 From the Dates of Creation Through December 31, 2019

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, 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.

A. 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. 3, 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. 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
TID No. 8	1-1-2018	7-24-2040	2046

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
NOTES TO FINANCIAL STATEMENTS
From the Dates of Creation Through December 31, 2019

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

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

Plan Amendments

	<u>Adoption Date</u>
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
TID No. 5 Amendment No. 1	7-24-2018

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.

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
NOTES TO FINANCIAL STATEMENTS
From the Dates of Creation Through December 31, 2019

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.

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
 NOTES TO FINANCIAL STATEMENTS
 From the Dates of Creation Through December 31, 2019

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 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. 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.

		<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12-31-19</u>
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	1,185,000	215,000
06/01/14	Promissory Note – 2.00%	1,225,000	1,015,000	210,000
	Totals	<u>\$ 6,257,496</u>	<u>\$ 5,832,496</u>	<u>\$ 425,000</u>

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

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 425,000	\$ 8,029	\$ 433,029
Totals	<u>\$ 425,000</u>	<u>\$ 8,029</u>	<u>\$ 433,029</u>

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
 NOTES TO FINANCIAL STATEMENTS
 From the Dates of Creation Through December 31, 2019

NOTE 3 – LONG-TERM DEBT (cont.)

A. GENERAL OBLIGATION DEBT (cont.)

		Original Amount Borrowed	Repaid	Balance 12-31-19
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	695,000	100,000
Totals		<u>\$ 3,160,750</u>	<u>\$ 3,060,750</u>	<u>\$ 100,000</u>

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

Calendar Year	Principal	Interest	Totals
2020	\$ 100,000	\$ 1,625	\$ 101,625
Totals	<u>\$ 100,000</u>	<u>\$ 1,625</u>	<u>\$ 101,625</u>

		Original Amount Borrowed	Repaid	Balance 12-31-19
TIF District No. 5				
12/28/16	State Trust Fund Loan – 3.50%	\$ 850,000	\$ 60,057	\$ 789,943
06/08/17	G.O. Notes – 2.00 – 3.00%	300,000	26,216	273,784
04/26/18	G.O. Notes – 3.25 – 4.00%	348,750	-	348,750
Totals		<u>\$ 1,498,750</u>	<u>\$ 86,273</u>	<u>\$ 1,412,477</u>

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
 NOTES TO FINANCIAL STATEMENTS
 From the Dates of Creation Through December 31, 2019

NOTE 3 – LONG-TERM DEBT (cont.)

A. GENERAL OBLIGATION DEBT (cont.)

TIF District No. 5 (cont.)

Aggregate maturities are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 55,475	\$ 47,046	\$ 102,521
2021	67,708	45,230	112,938
2022	111,461	42,389	153,850
2023	115,700	38,500	154,200
2024	117,673	34,490	152,163
2025-2029	562,613	110,004	672,617
2030-2034	263,206	49,059	312,265
2035-2036	118,641	6,268	124,909
Totals	<u>\$ 1,412,477</u>	<u>\$ 372,986</u>	<u>\$ 1,785,463</u>
	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12-31-19</u>
TIF District No. 6			
06/08/2017 Promissory Notes – 2.00 – 3.00%	\$ 505,000	\$ 90,000	\$ 415,000
03/26/2019 Promissory Notes – 2.125 – 4.00%	2,618,709	-	2,618,709
Totals	<u>\$ 3,123,709</u>	<u>\$ 90,000</u>	<u>\$ 3,033,709</u>

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

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 50,000	\$ 20,138	\$ 70,138
2021	50,000	83,730	133,730
2022	341,379	78,234	419,613
2023	350,345	68,109	418,454
2024	363,793	56,737	420,530
2025-2029	1,878,192	113,206	1,991,398
Totals	<u>\$ 3,033,709</u>	<u>\$ 420,154</u>	<u>\$ 3,453,863</u>

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
 NOTES TO FINANCIAL STATEMENTS
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NOTE 3 – LONG-TERM DEBT (cont.)

B. NOTE ANTICIPATION NOTES

	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12-31-19</u>
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%	<u>4,090,000</u>	<u>150,000</u>	<u>3,940,000</u>
Totals	<u>\$ 8,865,000</u>	<u>\$ 4,925,000</u>	<u>\$ 3,940,000</u>

Debt service requirements to maturity are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ 210,000	\$ 123,975	\$ 333,975
2021	215,000	119,725	334,725
2022	220,000	114,275	334,275
2023	225,000	107,600	332,600
2024	235,000	100,700	335,700
2025-2029	1,285,000	380,750	1,665,750
2030-2034	<u>1,550,000</u>	<u>125,813</u>	<u>1,675,813</u>
Totals	<u>\$ 3,940,000</u>	<u>\$ 1,072,838</u>	<u>\$ 5,012,838</u>

	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12-31-19</u>
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%	<u>302,159</u>	<u>-</u>	<u>302,159</u>
Totals	<u>\$ 728,409</u>	<u>\$ -</u>	<u>\$ 728,409</u>

Debt service requirements to maturity are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2020	\$ -	\$ 17,288	\$ 17,288
2021	-	24,741	24,741
2022	88,621	23,136	111,757
2023	92,405	19,857	112,262
2024	93,957	16,394	110,351
2025-2029	<u>453,426</u>	<u>30,196</u>	<u>483,622</u>
Totals	<u>\$ 728,409</u>	<u>\$ 131,612</u>	<u>\$ 860,021</u>

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
 NOTES TO FINANCIAL STATEMENTS
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NOTE 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. 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	<u>6,491</u>
Totals	<u>\$ 181,304</u>

TIF District No. 3 repaid the general fund in 2019.

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

2010	<u>\$ 100,000</u>
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CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
NOTES TO FINANCIAL STATEMENTS
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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. The 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 city fulfilled its obligation during 2017.

NOTE 8 – DEVELOPER PAYMENTS

No developer payments were made by TIF 3, 4, 5, 6, 7 and 8 for 2019.

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. There were no TIF guarantee payments received in 2019.

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 2019.

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. TIF guarantee payment received in 2019 was \$465.

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 2019 was \$33,510.

CITY OF STOUGHTON
TAX INCREMENTAL DISTRICTS NO. 3, NO. 4, NO. 5, NO. 6, NO. 7, AND NO. 8

COMPILED
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 – AFFORDABLE HOUSING PROGRAM TRANSFER

During 2019, TIF District No. 3's life was extended by one year in accordance with Section 66.1105 (6) (g) of Wisconsin State Statutes and the 2019 increment (2020 revenue) will be used to fund the affordable housing program.