

**CITY OF BARABOO, WISCONSIN
TAX INCREMENT DISTRICT NO. 8**

COMPILED FINANCIAL STATEMENTS

**AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020 AND
FROM DATE OF CREATION THROUGH DECEMBER 31, 2020**



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**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
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AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2020
FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2020**

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ACCOUNTANTS' COMPILATION REPORT

Common Council
City of Baraboo, Wisconsin
Tax Incremental District No. 8
Cuba City, Wisconsin

Management is responsible for the accompanying balance sheet, historical summary of project costs, project revenues, and net cost to be recovered through tax increments and historical summary of sources, uses, and status of funds of the City of Baraboo, Wisconsin Tax Incremental District No. 8, as of and for the year ended December 31, 2020 and from the period of creation through December 31, 2020 in the accompanying form prescribed by the Wisconsin Department of Revenue. 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 included in the accompanying prescribed form 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.

The financial statements included in the accompanying prescribed form are in accordance with requirements of the Wisconsin Department of Revenue, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Wauwatosa, Wisconsin
August 19, 2021

**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
BALANCE SHEET
AS OF DECEMBER 31, 2020
(SEE ACCOUNTANTS' COMPILATION REPORT)**

ASSETS

Cash and Investments	\$	17,681
Receivables:		
Taxes		27,153
		27,153
Total Assets	\$	44,834

**LIABILITIES, DEFERRED INFLOWS OF
RESOURCES, AND FUND BALANCES**

LIABILITIES

Accounts payable	\$	9,991
Due to other funds		73
Advances from other funds		481,365
		481,365
Total liabilities		491,429

DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied for Next Period		44,834
		44,834
Total Deferred Inflows of Resources		44,834

FUND BALANCES

Nonspendable		-
Restricted		-
Committed		-
Assigned		-
Unassigned		(491,429)
		(491,429)
Total Fund Balances		-

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	44,834
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See accompanying Notes to the Annual Report.

**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES,
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
YEAR ENDED DECEMBER 31, 2020
(AND FROM DATE OF CREATION THROUGH DECEMBER 31, 2020)
(SEE ACCOUNTANTS' COMPILATION REPORT)**

	Year Ended	From Date of Creation
PROJECTS COSTS		
Project Costs	\$ 19,338	\$ 7,020,239
Administration	399	5,025
Professional Services	11,780	28,404
Developer payments	7,719	51,038
Interest and Fiscal Charges	48,979	1,914,195
Debt Issuance Costs	-	125,441
Total Project Costs	88,215	9,144,342
PROJECT REVENUES		
Tax Increments	44,583	105,458
Intergovernmental	7,661	3,308,018
Public Charges for Services	-	-
Integovernmental Charges for Services	-	-
Special Assessments	-	-
Investment Income	44	126,166
Other Revenue	-	664,138
Contribution from the City	-	6,000
Subsidy from TIF No. 6	245,863	2,685,669
Premium on Debt Issued	-	12,464
Total Project Revenues	\$ 52,244	6,907,913
NET COST TO BE RECOVERED (EXCESS RECOVERED) THROUGH TAX INCREMENTS AT DECEMBER 31, 2020		\$ 2,236,429
RECONCILIATION OF RECOVERABLE COSTS		
G.O. debt		\$ 1,745,000
Plus: Fund balance deficit		491,429
NET COST TO BE RECOVERED (EXCESS RECOVERED) THROUGH TAX INCREMENTS AT DECEMBER 31, 2020		\$ 2,236,429

See accompanying Notes to the Annual Report.

**CITY OF BARABOO, WISCONSIN
TAX INCREMENT DISTRICT NO. 8
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
YEAR ENDED DECEMBER 31, 2020
(AND FROM DATE OF CREATION THROUGH DECEMBER 31, 2020)
(SEE ACCOUNTANTS' COMPILATION REPORT)**

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax Increments	\$ 44,583	\$ 105,458
Intergovernmental	7,661	3,308,018
Public Charges for Services	-	-
Integovernmental Charges for Services	-	-
Special Assessments	-	-
Investment Income	44	126,166
Other Revenue	-	664,138
Contribution from the City	-	6,000
Subsidy from TIF No. 6	245,863	2,685,669
Proceeds of Long-Term Debt	-	6,740,000
Premium on Debt Issued	-	12,464
Total Sources of Funds	298,151	13,647,913
USES OF FUNDS		
Project Costs	19,338	7,020,239
Administration	399	5,025
Professional Services	11,780	28,404
Developer payments	7,719	51,038
Principal on Long-Term Debt	220,000	4,995,000
Interest and Fiscal Charges	48,979	1,914,195
Debt Issuance Costs	-	125,441
Total Uses of Funds	308,215	14,139,342
EXCESS OF SOURCES OVER (UNDER) USES	(10,064)	(491,429)
Fund Balance (Deficit) - Beginning of Year	(481,365)	-
FUND BALANCE (DEFICIT) - END OF YEAR	\$ (491,429)	\$ (491,429)

See accompanying Notes to the Annual Report.

**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
NOTES TO THE ANNUAL REPORT
DECEMBER 31, 2020
(SEE ACCOUNTANTS' COMPILATION REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Baraboo, Wisconsin Tax Incremental District No. 8 (the District) conform to accounting principles as applicable to governmental units as defined by Wisconsin Statutes Section 66.1105.

The City of Baraboo, Wisconsin uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the reporting entity of Tax Incremental District No. 8. The accompanying financial statements reflect all the significant operations of the City of Baraboo, Wisconsin Tax Incremental District No. 8.

A. DESCRIPTION OF FUND STRUCTURE

The report contains the financial information of the City of Baraboo, Wisconsin Tax Increment District No. 8. The summary statements were prepared from data recorded in the following funds:

Capital Projects TID Fund No. 8

Detailed descriptions of the purpose of these funds and long-term debt can be found in the City of Baraboo, Wisconsin 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 District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

With respect to the District, the statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Baraboo, Wisconsin.

**CITY OF BARABOO, WISCONSIN
 TAX INCREMENTAL DISTRICT NO. 8
 NOTES TO THE ANNUAL REPORT
 DECEMBER 31, 2020
 (SEE ACCOUNTANTS' COMPILATION REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. DESCRIPTION OF FUND STRUCTURE (CONTINUED)

Project costs may not be incurred longer than five years prior to the termination date of the district. The statutes allow the municipality to collect tax increments until the net project costs have been fully recovered or maximum life based on the resolution date and type of TID, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
TID No. 8	January 1, 2006	June 27, 2028	2034

The project plans, on file in the office of the city clerk-treasurer detail the proposed projects, the estimated years of construction or site acquisition, and the estimated costs of the individual project components. Project costs uncollected at the dissolution date are absorbed by the municipality.

B. BASIS OF ACCOUNTING

Under the modified basis of accounting, revenues are recognized only to the extent that they are susceptible to accrual, which means when they become both measurable and available to finance expenditures of the fiscal period. Revenue is considered to be available when it is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. If accrued revenue is not yet available, the related receivable is matched by a deferred inflow of resources for unavailable revenue and revenue recognition occurs only when the revenue eventually does become available. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

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

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

**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
NOTES TO THE ANNUAL REPORT
DECEMBER 31, 2020
(SEE ACCOUNTANTS' COMPILATION REPORT)**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 reported period. Actual results could differ from those estimates.

D. MEASUREMENT FOCUS

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds, and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current periods are recognized as deferred inflows of resources or a reservation of fund balance. Liabilities for claims, judgments, compensated absences, and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

E. PROJECT PLAN BUDGET

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

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 settlement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

G. CLAIMS AND JUDGEMENTS

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not liquidated with expendable available financial resources, a liability is shown in the long-term debt footnote disclosure. The related expenditure is recognized when the liability is liquidated.

**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
NOTES TO THE ANNUAL REPORT
DECEMBER 31, 2020
(SEE ACCOUNTANTS' COMPILATION REPORT)**

NOTE 2 CASH AND TEMPORARY INVESTMENTS

The Districts invests their funds in accordance with the provisions of the Wisconsin State Statutes 66.0603(lm) and 67.11(2).

The District as a fund of the City, maintains separate and common cash and investment accounts at the same financial institutions utilized by the City. Federal depository insurance and the State of Wisconsin Guarantee Fund insurance apply to the City of Baraboo, Wisconsin as an individual municipality and, accordingly, the amount insured funds is not determinable for the Districts.

NOTE 3 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 District's expenditures will be retired by tax increments accumulated by the debt service fund. If those revenues are not sufficient, payments will be made by future tax levies.

Governmental Activities General Obligation Debt	Date of Issue	Interest Rates	Date of Maturity	Original Indebtedness	Balance 12/31/2020
General Obligation Refunding Bonds	04/19/12	2.00 - 2.65%	04/01/26	\$ 1,000,000	\$ 580,000
Taxable General Obligation Refunding Bonds	03/06/13	0.40 - 2.95%	08/01/26	1,455,000	860,000
General Obligation Corporate Purpose Bonds	08/12/14	0.08 - 3.05%	09/01/28	405,000	305,000
					<u>\$ 1,745,000</u>

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

Calendar Year	Principal	Interest	Total
2021	\$ 255,000	\$ 43,620	\$ 298,620
2022	265,000	38,011	303,011
2023	285,000	32,213	317,213
2024	280,000	25,362	305,362
2025	275,000	17,381	292,381
2026	275,000	9,834	284,834
2027	50,000	3,305	53,305
2028	60,000	1,830	61,830
	<u>\$ 1,745,000</u>	<u>\$ 171,556</u>	<u>\$ 1,916,556</u>

**CITY OF BARABOO, WISCONSIN
TAX INCREMENTAL DISTRICT NO. 8
NOTES TO THE ANNUAL REPORT
DECEMBER 31, 2020
(SEE ACCOUNTANTS' COMPILATION REPORT)**

NOTE 4 ADVANCES FROM OTHER FUNDS

The city's general fund is advancing funds to TID No. 8. In addition, the water, sewer, and stormwater utilities are advancing funds to TID No. 8. The amounts advanced equal the amounts spent on utility improvements for each respective utility. No repayment schedules have been determined for the advances. The city and utilities are currently not charging interest on the advance. The balance as of December 31, 2020 is as follows:

<u>Advance from:</u>	<u>Amount</u>
General Fund	\$ 152,767
Water utility	103,000
Sewer utility	79,010
Stormwater utility	146,588
	<u>\$ 481,365</u>

NOTE 5 TAX INCREMENT SHARING

As allowable under TID statutes, the City may share positive TID increments. In 2010, the City and joint review board approved sharing increments from TID No. 6 (donor districts) to TID Nos. 8 and 9 (donee districts). Transfers of \$2,685,669 are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfer were approved to begin in 2010. TID increment sharing is valid for the life of the donor district or the recipient district, whichever comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes.

NOTE 6 DEVELOPER PAYMENTS

During 2020, the city made a payment in the amount of \$7,719 to JC's Broadway Diner, LLC as a development incentive. Total development incentives paid to this entity over the life of the district as of December 31, 2020 are \$51,038.