

City of Medford
Tax Incremental District Number Five
Medford, Wisconsin

**FINANCIAL STATEMENTS
INCLUDING INDEPENDENT AUDITORS' REPORT**

From Date of Creation Through December 31, 2018

City of Medford, Wisconsin

Tax Incremental District Number Five

DECEMBER 31, 2018

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Independent auditors' report

To the Honorable Mayor and City Council
City of Medford, Wisconsin

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of the City of Medford Tax Incremental District Number Five, Medford, Wisconsin, (the "District"), which comprise the Balance Sheet as of December 31, 2018, and the related Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and the Historical Summary of Sources, Uses and Status of Funds from the date the District was created through December 31, 2018, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 2018, and the sources, uses and status of funds from the creation date of the District through December 31, 2018 on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

EMPHASIS OF MATTER

As discussed in Note 1, the financial statements present only the City of Medford Tax Incremental District Number Five and do not purport to, and do not, present fairly the financial position of the City of Medford, Wisconsin as of December 31, 2018, the changes in its financial position from the date of creation through December 31, 2018 in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

OTHER MATTERS

Required Supplementary Information

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, economic, or historical context. Our opinion on the financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Tax Incremental District Number Five of the City of Medford, Wisconsin. The financial information listed in the table of contents as supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements.

The supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Auditors

The financial transactions of the District for the period of creation through December 31, 1992 were audited by other auditors whose reports expressed an unmodified opinion on those statements.

OTHER REPORTING REQUIRED BY TAX INCREMENTAL DISTRICT LAWS AND REGULATIONS

In accordance with tax incremental district laws and regulations, we have also issued our report dated April 26, 2019 on our test of compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the City of Medford, Wisconsin’s compliance.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 26, 2019

City of Medford, Wisconsin Tax Incremental District Number Five

BALANCE SHEET DECEMBER 31, 2018

ASSETS

Cash and investments	\$ 71,332
Taxes receivable	<u>41,287</u>
Total assets	<u>\$ 112,619</u>

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

Liabilities	
Advances from other funds	<u>\$ 211,637</u>
Deferred inflows of resources	
Property taxes levied for subsequent year	<u>41,287</u>
Fund balance	
Unassigned	<u>(140,305)</u>
Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 112,619</u>

The notes to the financial statements are an integral part of this statement.

City of Medford, Wisconsin

Tax Incremental District Number Five

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS FROM DATE OF CREATION THROUGH DECEMBER 31, 2018

	<u>2018</u>	<u>From Date of Creation</u>
PROJECT COSTS		
Project plan capital expenditures	\$ -	\$ 905,346
Professional services	-	11,148
Administrative	1,779	26,646
Interest and fiscal charges	6,349	533,239
Transfers	37,500	333,224
	<u>45,628</u>	<u>1,809,603</u>
PROJECT REVENUES		
Tax increments	46,366	1,034,835
Intergovernmental	436	46,478
Investment income	-	2,860
Miscellaneous	-	238,496
Transfers	-	346,629
	<u>46,802</u>	<u>1,669,298</u>
Net cost recoverable through tax increments - December 31, 2018	<u>\$ (1,174)</u>	<u>\$ 140,305</u>

The notes to the financial statements are an integral part of this statement.

City of Medford, Wisconsin Tax Incremental District Number Five

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS FROM DATE OF CREATION THROUGH DECEMBER 31, 2018

	<u>2018</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 46,366	\$ 1,034,835
Intergovernmental	436	46,478
Investment income	-	2,860
Miscellaneous	-	238,496
Transfers	-	346,629
	<u>46,802</u>	<u>1,669,298</u>
USES OF FUNDS		
Project plan capital expenditures	-	905,346
Professional services	-	11,148
Administrative	1,779	26,646
Interest and fiscal charges	6,349	533,239
Transfers	37,500	333,224
	<u>45,628</u>	<u>1,809,603</u>
Net change in fund balance	1,174	(140,305)
Fund balance - beginning	<u>(141,479)</u>	<u>-</u>
Fund balance - ending	<u>\$ (140,305)</u>	<u>\$ (140,305)</u>

The notes to the financial statements are an integral part of this statement.

City of Medford, Wisconsin

Tax Incremental District Number Five

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Medford's Tax Incremental District Number Five (the "District") conform to accounting principles generally accepted in the United States of America (GAAP) as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. Wisconsin Statutes Section 66.1105 establishes reporting requirements for the District. The significant accounting principles and policies utilized by the City of Medford in preparing the financial statements of Tax Incremental District Number Five are described below:

A. REPORTING ENTITY

This report contains the financial information of the City of Medford's Tax Incremental District Number Five. The summary schedules were prepared from data recorded in the District's capital project fund of the City of Medford and are presented in a format prescribed by the Wisconsin Department of Revenue.

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.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Under certain conditions, the City may declare a tax incremental district distressed, which allows the City to extend the life of the District 10 years past the original termination date, or severely distressed, which allows the City to extend the life of the District 40 years from the creation date. Project costs uncollected at the dissolution date are absorbed by the City of Medford.

Listed below are the significant dates applicable to the City of Medford's Tax Incremental District Number Five:

Creation date	September 19, 1989
Latest date to incur project expenditures	September 19, 2011
Latest termination date	September 19, 2026

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The District's financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

City of Medford, Wisconsin

Tax Incremental District Number Five

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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.

D. ASSETS, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

2. Property Taxes

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the City amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the City as tax increment revenue. The City uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2018 follows:

<u>Current Value</u>	<u>Base Value</u>	<u>Increment Value</u>
\$ 6,870,000	\$ 5,187,900	\$ 1,682,100

3. Advances from Other Funds

The City's general fund has advanced funds to Tax Incremental District Number Five. The amount of advance is determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. The City charges the District interest on the advance based on the average outstanding advance balance during the year.

City of Medford, Wisconsin

Tax Incremental District Number Five

NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

4. **Deferred Inflows of Resources**

In addition to liabilities, the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represent an acquisition of net position that applies to a future period and so will not be recognized as an inflows of resource (revenue) until that time.

5. **Long-term Obligations**

The District recognizes bond premiums and discounts, as well as bond issuance costs, during the period when received or paid. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums received, discounts on debt issuance, issuance costs and interest on long-term debt are considered financing costs recoverable from revenues of the District.

6. **Fund Balance**

Fund balance is reported in various categories for TID funds based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- ▶ **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- ▶ **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- ▶ **Unassigned fund balance.** Only deficit amounts are shown in this category.

E. PROJECT PLAN BUDGET

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

NOTE 2: CASH AND INVESTMENTS

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

Investments are stated at fair value, which is the price that would be received to sell an asset in an orderly transaction at the measurement date. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the City, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Medford as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

City of Medford, Wisconsin

Tax Incremental District Number Five

NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2018

NOTE 3: INCREMENT SHARING

As allowable under Wisconsin Statutes Section 66.1105, the District may share positive increments. The City and joint review board approved sharing increments from Tax Incremental District Number One (donor district) to Tax Incremental District Number Five (donee district). Transfers are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2000. Tax increment sharing is valid for the life of the donee district or 10 years past the original termination date for the donor district, whichever comes first. Transfers between districts are subject to various conditions in the statutes. As of December 31, 2018, \$346,629 has been transferred between the districts. The final increment sharing occurred in 2007 with the dissolution of Tax Incremental District Number One.

In 2011 the Common Council also approved Resolution # 1721 which authorized Tax Incremental District Number Five (donor district) to share increments with Tax Incremental District Numbers Six and Eight (donee districts). As of December 31, 2018, \$333,224 has been transferred to the Districts.

City of Medford, Wisconsin

Tax Incremental District Number Five

SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 1989 THROUGH DECEMBER 31, 2018

	<u>1989 - 1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>
REVENUES							
Tax increments	\$ 6,737	\$ -	\$ -	\$ -	\$ 1,736	\$ 4,320	\$ 6,794
Intergovernmental	5,439	-	-	-	-	-	-
Investment income	-	144	148	90	1,003	1,469	-
Miscellaneous	-	-	1,200	-	44,576	9,600	11,341
Total revenues	<u>12,176</u>	<u>144</u>	<u>1,348</u>	<u>90</u>	<u>47,315</u>	<u>15,389</u>	<u>18,135</u>
EXPENDITURES							
Project plan capital expenditures	205,833	139,727	12,936	5,430	413,133	7,311	22,474
Professional services	-	130	410	65	-	-	-
Administrative	5,184	5,939	2,029	117	104	-	-
Debt service							
Interest, fiscal and debt issuance costs	17,786	13,884	19,451	20,837	20,594	51,636	39,691
Total expenditures	<u>228,803</u>	<u>159,680</u>	<u>34,826</u>	<u>26,449</u>	<u>433,831</u>	<u>58,947</u>	<u>62,165</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES							
	<u>(216,627)</u>	<u>(159,536)</u>	<u>(33,478)</u>	<u>(26,359)</u>	<u>(386,516)</u>	<u>(43,558)</u>	<u>(44,030)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>						
Net change in fund balance	<u>(216,627)</u>	<u>(159,536)</u>	<u>(33,478)</u>	<u>(26,359)</u>	<u>(386,516)</u>	<u>(43,558)</u>	<u>(44,030)</u>
Fund balance - beginning	<u>-</u>	<u>(216,627)</u>	<u>(376,163)</u>	<u>(409,641)</u>	<u>(436,000)</u>	<u>(822,516)</u>	<u>(866,074)</u>
Fund balance - ending	<u>\$ (216,627)</u>	<u>\$ (376,163)</u>	<u>\$ (409,641)</u>	<u>\$ (436,000)</u>	<u>\$ (822,516)</u>	<u>\$ (866,074)</u>	<u>\$ (910,104)</u>

City of Medford, Wisconsin

Tax Incremental District Number Five

SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 1989 THROUGH DECEMBER 31, 2018

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
REVENUES							
Tax increments	\$ 21,468	\$ 26,353	\$ 29,705	\$ 48,582	\$ 58,050	\$ 65,680	\$ 50,460
Intergovernmental	-	1,666	1,779	689	3,463	3,553	2,884
Investment income	5	1	-	-	-	-	-
Miscellaneous	8,800	9,600	9,600	9,600	9,600	8,800	12,800
Total revenues	<u>30,273</u>	<u>37,620</u>	<u>41,084</u>	<u>58,871</u>	<u>71,113</u>	<u>78,033</u>	<u>66,144</u>
EXPENDITURES							
Project plan capital expenditures	-	-	-	-	-	-	-
Professional services	-	-	95	942	500	500	500
Administrative	-	-	-	-	-	-	-
Debt service							
Interest, fiscal and debt issuance costs	41,120	41,421	41,525	28,836	25,522	25,528	22,579
Total expenditures	<u>41,120</u>	<u>41,421</u>	<u>41,620</u>	<u>29,778</u>	<u>26,022</u>	<u>26,028</u>	<u>23,079</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>(10,847)</u>	<u>(3,801)</u>	<u>(536)</u>	<u>29,093</u>	<u>45,091</u>	<u>52,005</u>	<u>43,065</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	-	41,869	47,047	44,668	42,907	44,457	44,428
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>41,869</u>	<u>47,047</u>	<u>44,668</u>	<u>42,907</u>	<u>44,457</u>	<u>44,428</u>
Net change in fund balance	<u>(10,847)</u>	<u>38,068</u>	<u>46,511</u>	<u>73,761</u>	<u>87,998</u>	<u>96,462</u>	<u>87,493</u>
Fund balance - beginning	<u>(910,104)</u>	<u>(920,951)</u>	<u>(882,883)</u>	<u>(836,372)</u>	<u>(762,611)</u>	<u>(674,613)</u>	<u>(578,151)</u>
Fund balance - ending	<u>\$ (920,951)</u>	<u>\$ (882,883)</u>	<u>\$ (836,372)</u>	<u>\$ (762,611)</u>	<u>\$ (674,613)</u>	<u>\$ (578,151)</u>	<u>\$ (490,658)</u>

City of Medford, Wisconsin

Tax Incremental District Number Five

SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 1989 THROUGH DECEMBER 31, 2018

	2006	2007	2008	2009	2010	2011	2012
REVENUES							
Tax increments	\$ 37,563	\$ 50,525	\$ 76,248	\$ 62,021	\$ 59,546	\$ 45,224	\$ 52,618
Intergovernmental	2,535	2,412	2,002	1,541	2,472	1,762	3,113
Investment income	-	-	-	-	-	-	-
Miscellaneous	9,600	93,379	-	-	-	-	-
Total revenues	49,698	146,316	78,250	63,562	62,018	46,986	55,731
EXPENDITURES							
Project plan capital expenditures	488	-	27,798	2,350	67,866	-	-
Professional services	500	1,305	422	500	500	4,500	-
Administrative	-	750	1,248	875	750	1,134	1,098
Debt service							
Interest, fiscal and debt issuance costs	23,386	21,582	12,985	8,902	5,753	5,963	6,164
Total expenditures	24,374	23,637	42,453	12,627	74,869	11,597	7,262
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	25,324	122,679	35,797	50,935	(12,851)	35,389	48,469
OTHER FINANCING SOURCES (USES)							
Transfers in	42,313	38,940	-	-	-	-	-
Transfers out	-	-	-	-	-	-	(45,224)
Total other financing sources (uses)	42,313	38,940	-	-	-	-	(45,224)
Net change in fund balance	67,637	161,619	35,797	50,935	(12,851)	35,389	3,245
Fund balance - beginning	(490,658)	(423,021)	(261,402)	(225,605)	(174,670)	(187,521)	(152,132)
Fund balance - ending	\$ (423,021)	\$ (261,402)	\$ (225,605)	\$ (174,670)	\$ (187,521)	\$ (152,132)	\$ (148,887)

City of Medford, Wisconsin

Tax Incremental District Number Five

SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 1989 THROUGH DECEMBER 31, 2018

	2013	2014	2015	2016	2017	2018	Total	Project Plan Budget
REVENUES								
Tax increments	\$ 51,648	\$ 59,999	\$ 63,026	\$ 62,282	\$ 47,884	\$ 46,366	\$ 1,034,835	\$ 960,252
Intergovernmental	3,141	2,481	2,403	2,277	430	436	46,478	-
Investment income	-	-	-	-	-	-	2,860	-
Miscellaneous	-	-	-	-	-	-	238,496	192,021
Total revenues	54,789	62,480	65,429	64,559	48,314	46,802	1,322,669	1,152,273
EXPENDITURES								
Project plan capital expenditures	-	-	-	-	-	-	905,346	726,737
Professional services	-	-	279	-	-	-	11,148	-
Administrative	1,127	1,127	1,523	151	1,711	1,779	26,646	82,500
Debt service								
Interest, fiscal and debt issuance costs	6,349	6,349	6,349	6,349	6,349	6,349	533,239	224,600
Total expenditures	7,476	7,476	8,151	6,500	8,060	8,128	1,476,379	1,033,837
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	47,313	55,004	57,278	58,059	40,254	38,674	(153,710)	\$ 118,436
OTHER FINANCING SOURCES (USES)								
Transfers in	-	-	-	-	-	-	346,629	
Transfers out	(49,000)	(49,000)	(60,000)	(55,000)	(37,500)	(37,500)	(333,224)	
Total other financing sources (uses)	(49,000)	(49,000)	(60,000)	(55,000)	(37,500)	(37,500)	13,405	
Net change in fund balance	(1,687)	6,004	(2,722)	3,059	2,754	1,174	(140,305)	
Fund balance - beginning	(148,887)	(150,574)	(144,570)	(147,292)	(144,233)	(141,479)	-	
Fund balance - ending	\$ (150,574)	\$ (144,570)	\$ (147,292)	\$ (144,233)	\$ (141,479)	\$ (140,305)	\$ (140,305)	



Independent auditors' report on compliance with tax incremental financing district laws and regulations

To the Honorable Mayor and City Council
City of Medford, Wisconsin

We have audited the accompanying financial statements of the City of Medford, Wisconsin's Tax Incremental District Number Five (the "District"), which comprise the Balance Sheet as of December 31, 2018, and the related Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and the Historical Summary of Sources, Uses and Status of Funds from the date the District was created through December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated April 26, 2019.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with tax increment financing district laws, regulations and the project plan is the responsibility of the City of Medford, Wisconsin's management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed tests of the District's compliance with Wisconsin State Statutes Section 66.1105 and the project plan. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests indicate that, with respect to the items tested, the City of Medford, Wisconsin complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Medford, Wisconsin had not complied, in all material respects, with those provisions.

This report is intended solely for the information and use of the Honorable Mayor and City Council, management, and overlapping taxing districts and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
April 26, 2019