

City of Medford  
Tax Incremental District Number Twelve  
Medford, Wisconsin

**FINANCIAL STATEMENTS  
INCLUDING INDEPENDENT AUDITORS' REPORT**

From Date of Creation Through December 31, 2018

# City of Medford, Wisconsin Tax Incremental District Number Twelve

DECEMBER 31, 2018

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## Table of Contents

<b>INDEPENDENT AUDITORS' REPORT</b>	1
<b>FINANCIAL STATEMENTS</b>	
Balance Sheet	3
Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered through Tax Increments	4
Historical Summary of Sources, Uses, and Status of Funds	5
Notes to Financial Statements	6
<b>SUPPLEMENTARY INFORMATION</b>	
Schedule of Financial Transactions	10
<b>ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR FINANCIAL STATEMENTS</b>	
Independent Auditors' Report on Compliance with Tax Incremental Financing District Laws and Regulations	13



## 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 Twelve, 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 Twelve 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 Twelve 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 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 Twelve

## BALANCE SHEET DECEMBER 31, 2018

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### ASSETS

Taxes receivable	<u>\$ 748,878</u>
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### LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE

#### Liabilities

Accounts payable	\$ 158
Accrued and other current liabilities	16
Special deposit	10,005
Advances from other funds	<u>776,125</u>
Total liabilities	<u>786,304</u>

#### Deferred inflows of resources

Property taxes levied for subsequent year	<u>748,878</u>
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#### Fund balance

Unassigned	<u>(786,304)</u>
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Total liabilities, deferred inflows of resources, and fund balance	<u>\$ 748,878</u>
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*The notes to the financial statements are an integral part of this statement.*

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### 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>
<b>PROJECT COSTS</b>		
Project plan capital expenditures	\$ 851,284	\$ 8,647,773
Professional services	-	4,905
Administration	2,407	27,140
Interest and fiscal charges	56,098	2,404,263
	<u>909,789</u>	<u>11,084,081</u>
Total project costs		
<b>PROJECT REVENUES</b>		
Tax increments	745,323	7,921,752
Intergovernmental	44,530	410,578
Investment income	-	128,271
Miscellaneous	97,865	907,176
	<u>887,718</u>	<u>9,367,777</u>
Total project revenues		
<b>Net cost recoverable through tax increments - December 31, 2018</b>	<u><u>\$ 22,071</u></u>	<u><u>\$ 1,716,304</u></u>

The above net unreimbursed project costs of \$1,716,304 on December 31, 2018 represents a net liability for TID Number Twelve to the City of Medford, Wisconsin, consisting of the following:

Future maturities of principal and outstanding debt incurred by City for financing TID Number Twelve projects	\$ 930,000
Add: Fund Deficit in TID Number Twelve Capital Projects Fund	<u>786,304</u>
Net Liability of TID Number Twelve - December 31, 2018	<u><u>\$ 1,716,304</u></u>

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

# City of Medford, Wisconsin Tax Incremental District Number Twelve

## 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>
<b>SOURCES OF FUNDS</b>		
Tax increments	\$ 807,493	\$ 7,921,752
Intergovernmental	45,185	410,578
Investment income	-	128,271
Miscellaneous	500,000	907,176
Debt proceeds	-	7,094,680
	<u>1,352,678</u>	<u>16,462,457</u>
Total sources		
<b>USES OF FUNDS</b>		
Project plan capital expenditures	451,514	8,647,773
Professional services	-	4,905
Administration	1,896	27,140
Interest and fiscal charges	55,241	2,404,263
Principal payments	220,000	6,164,680
	<u>728,651</u>	<u>17,248,761</u>
Total uses		
<b>Net change in fund balance</b>	624,027	(786,304)
<b>Fund balance - beginning</b>	<u>(1,410,331)</u>	<u>-</u>
<b>Fund balance - ending</b>	<u>\$ (786,304)</u>	<u>\$ (786,304)</u>

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

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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#### NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Medford's Tax Incremental District Number Twelve (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 Twelve are described below:

##### A. REPORTING ENTITY

This report contains the financial information of the City of Medford's Tax Incremental District Number Twelve. 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 23 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 Twelve:

Creation date	September 5, 2000
Latest date to incur project expenditures	September 5, 2018
Latest termination date	September 16, 2030

##### 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 Twelve

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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#### 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>
\$ 33,198,300	\$ 2,687,700	\$ 30,510,600

##### 3. Advances from Other Funds

The City's general fund has advanced funds to Tax Incremental District Number Twelve. 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.

##### 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.

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

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#### 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.

#### 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 Twelve (donor district) to Tax Incremental Districts Numbers Six and Eight (donee districts). Transfers are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2019. 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, \$0 has been transferred between the districts.

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### NOTES TO FINANCIAL STATEMENTS DECEMBER 31, 2018

#### NOTE 4: LONG-TERM OBLIGATIONS

The following is a summary of changes in long-term obligations for the District for the year ended December 31, 2018:

	<u>Outstanding 1/1/18</u>	<u>Issued</u>	<u>Retired</u>	<u>Outstanding 12/31/18</u>	<u>Due Within One Year</u>
Capital lease to CDA	\$ 1,150,000	\$ -	\$ 220,000	\$ 930,000	\$ 225,000

Total interest paid during the year on District debt totaled \$35,730.

#### Lease Revenue Bonds

The City of Medford has entered into an agreement with the Community development Authority of the City of Medford (the "CDA") for certain property and improvements in TID Number Twelve. In 2001, the CDA issued lease revenue bonds totaling \$3,120,000. All of the debt proceeds were transferred to TID projects. In 2013 the CDA refinanced the 2001 lease revenue bonds by issuing \$2,200,000 lease revenue bonds dated October 10, 2013. The lease revenue bonds required a debt reserve of \$220,000 to be retained by the CDA so the District's portion of the lease revenue bonds is net of this bond reserve, as summarized below. In addition, the refinancing resulted in a loss on refinancing of \$25,000 which represents the increase in long-term debt due by the District due to the refunding. The District includes this loss in advance refunding as current year interest and fiscal costs.

The City expects that TID Number Twelve revenues will be sufficient to make lease payments to the CDA to be used for revenue bond repayments.

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/18</u>
CDA lease revenue bonds	10/10/2013	10/10/2023	0.70 - 3.30%	\$ 2,200,000	\$ 1,150,000
Less: bond reserve held by CDA					(220,000)
Total Outstanding Debt					<u>\$ 930,000</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$1,150,000 on December 31, 2018 are detailed below:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Bond Reserve</u>	<u>TID #12 Principal</u>	<u>Interest</u>	<u>Total</u>
2019	\$ 225,000	\$ -	\$ 225,000	\$ 31,880	\$ 256,880
2020	225,000	-	225,000	27,155	252,155
2021	240,000	-	240,000	21,530	261,530
2022	245,000	(5,000)	240,000	14,690	254,690
2023	215,000	(215,000)	-	7,095	7,095
	<u>\$ 1,150,000</u>	<u>\$ (220,000)</u>	<u>\$ 930,000</u>	<u>\$ 102,350</u>	<u>\$ 1,032,350</u>

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 2000 THROUGH DECEMBER 31, 2018

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>
<b>REVENUES</b>							
Tax increments	\$ -	\$ -	\$ 69,703	\$ 344,601	\$ 404,596	\$ 387,207	\$ 340,434
Intergovernmental	-	138,566	16,943	11,050	8,185	11,056	10,300
Investment income	-	73,130	23,888	11,716	-	-	-
Miscellaneous	-	45,791	-	-	1,238	-	20,992
Total revenues	<u>-</u>	<u>257,487</u>	<u>110,534</u>	<u>367,367</u>	<u>414,019</u>	<u>398,263</u>	<u>371,726</u>
<b>EXPENDITURES</b>							
Project plan capital expenditures	1,051,191	801,971	223,146	713,007	159,269	979,824	37,944
Professional services	-	263	-	-	-	-	-
Administrative	-	-	-	-	-	-	-
Debt service							
Principal	-	-	-	-	-	-	148,936
Interest, fiscal and debt issuance costs	-	226,147	168,600	163,800	218,470	157,315	135,414
Total expenditures	<u>1,051,191</u>	<u>1,028,381</u>	<u>391,746</u>	<u>876,807</u>	<u>377,739</u>	<u>1,137,139</u>	<u>322,294</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(1,051,191)</u>	<u>(770,894)</u>	<u>(281,212)</u>	<u>(509,440)</u>	<u>36,280</u>	<u>(738,876)</u>	<u>49,432</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt issued	-	3,120,000	-	-	3,205,000	744,680	-
Payment to current note holder	-	-	-	-	(3,120,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>3,120,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>744,680</u>	<u>-</u>
<b>Net change in fund balance</b>	<u>(1,051,191)</u>	<u>2,349,106</u>	<u>(281,212)</u>	<u>(509,440)</u>	<u>121,280</u>	<u>5,804</u>	<u>49,432</u>
<b>Fund balance - beginning</b>	<u>-</u>	<u>(1,051,191)</u>	<u>1,297,915</u>	<u>1,016,703</u>	<u>507,263</u>	<u>628,543</u>	<u>634,347</u>
<b>Fund balance - ending</b>	<u>\$ (1,051,191)</u>	<u>\$ 1,297,915</u>	<u>\$ 1,016,703</u>	<u>\$ 507,263</u>	<u>\$ 628,543</u>	<u>\$ 634,347</u>	<u>\$ 683,779</u>

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 2000 THROUGH DECEMBER 31, 2018

	2007	2008	2009	2010	2011	2012	2013
<b>REVENUES</b>							
Tax increments	\$ 340,588	\$ 369,300	\$ 339,295	\$ 390,045	\$ 409,597	\$ 466,748	\$ 476,130
Intergovernmental	5,435	4,239	2,111	1,878	1,661	4,943	19,188
Investment income	14,289	4,869	257	106	16	-	-
Miscellaneous	75,555	98,655	-	-	-	-	39,325
<b>Total revenues</b>	<b>435,867</b>	<b>477,063</b>	<b>341,663</b>	<b>392,029</b>	<b>411,274</b>	<b>471,691</b>	<b>534,643</b>
<b>EXPENDITURES</b>							
Project plan capital expenditures	146,664	568,217	15,717	6,317	574	2,870	263,617
Professional services	1,305	1,000	500	500	250	250	279
Administrative	-	-	875	750	1,021	2,933	2,885
Debt service							
Principal	283,936	283,936	288,936	293,936	150,000	160,000	385,000
Interest, fiscal and debt issuance costs	157,553	147,661	145,768	117,594	131,181	126,716	209,180
<b>Total expenditures</b>	<b>589,458</b>	<b>1,000,814</b>	<b>451,796</b>	<b>419,097</b>	<b>283,026</b>	<b>292,769</b>	<b>860,961</b>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(153,591)</b>	<b>(523,751)</b>	<b>(110,133)</b>	<b>(27,068)</b>	<b>128,248</b>	<b>178,922</b>	<b>(326,318)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt issued	-	-	-	-	-	-	25,000
Payment to current note holder	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>25,000</b>
<b>Net change in fund balance</b>	<b>(153,591)</b>	<b>(523,751)</b>	<b>(110,133)</b>	<b>(27,068)</b>	<b>128,248</b>	<b>178,922</b>	<b>(301,318)</b>
<b>Fund balance - beginning</b>	<b>683,779</b>	<b>530,188</b>	<b>6,437</b>	<b>(103,696)</b>	<b>(130,764)</b>	<b>(2,516)</b>	<b>176,406</b>
<b>Fund balance - ending</b>	<b>\$ 530,188</b>	<b>\$ 6,437</b>	<b>\$ (103,696)</b>	<b>\$ (130,764)</b>	<b>\$ (2,516)</b>	<b>\$ 176,406</b>	<b>\$ (124,912)</b>

# City of Medford, Wisconsin

## Tax Incremental District Number Twelve

### SCHEDULE OF FINANCIAL TRANSACTIONS FOR THE PERIOD JANUARY 1, 2000 THROUGH DECEMBER 31, 2018

	2014	2015	2016	2017	2018	Total	Project Plan Budget
<b>REVENUES</b>							
Tax increments	\$ 565,124	\$ 728,059	\$ 737,509	\$ 745,323	\$ 807,493	\$ 7,921,752	\$ 14,429,579
Intergovernmental	34,118	26,665	24,525	44,530	45,185	410,578	-
Investment income	-	-	-	-	-	128,271	-
Miscellaneous	-	546	27,209	97,865	500,000	907,176	-
Total revenues	<u>599,242</u>	<u>755,270</u>	<u>789,243</u>	<u>887,718</u>	<u>1,352,678</u>	<u>9,367,777</u>	<u>14,429,579</u>
<b>EXPENDITURES</b>							
Project plan capital expenditures	845,165	810,955	718,527	851,284	451,514	8,647,773	3,923,839
Professional services	279	279	-	-	-	4,905	150,000
Administrative	2,541	1,577	10,255	2,407	1,896	27,140	-
Debt service							
Principal	200,000	205,000	210,000	215,000	220,000	3,044,680	-
Interest, fiscal and debt issuance costs	66,968	61,051	59,506	56,098	55,241	2,404,263	6,930,565
Total expenditures	<u>1,114,953</u>	<u>1,078,862</u>	<u>998,288</u>	<u>1,124,789</u>	<u>728,651</u>	<u>14,128,761</u>	<u>11,004,404</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(515,711)</u>	<u>(323,592)</u>	<u>(209,045)</u>	<u>(237,071)</u>	<u>624,027</u>	<u>(4,760,984)</u>	<u>\$ 3,425,175</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt issued	-	-	-	-	-	7,094,680	
Payment to current note holder	-	-	-	-	-	(3,120,000)	
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,974,680</u>	
<b>Net change in fund balance</b>	(515,711)	(323,592)	(209,045)	(237,071)	624,027	(786,304)	
<b>Fund balance - beginning</b>	<u>(124,912)</u>	<u>(640,623)</u>	<u>(964,215)</u>	<u>(1,173,260)</u>	<u>(1,410,331)</u>	<u>-</u>	
<b>Fund balance - ending</b>	<u>\$ (640,623)</u>	<u>\$ (964,215)</u>	<u>\$ (1,173,260)</u>	<u>\$ (1,410,331)</u>	<u>\$ (786,304)</u>	<u>\$ (786,304)</u>	



## 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 Twelve (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