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PUBLIC NOTICE OF A COMMITTEE MEETING OF THE CITY OF WATERLOO COMMON COUNCIL

Pursuant to Section 19.84 Wisconsin Statutes, notice is hereby given to the public and news media, that a public meeting will be held to consider the following:

COMMITTEE: FINANCE, INSURANCE & PERSONNEL COMMITTEE
DATE: April 2, 2020
TIME: 6:00 p.m.
LOCATION: Municipal Building Council Chamber, 136 N. Monroe Street
via remote phone conference for participants and public

Join Zoom Meeting
<https://us04web.zoom.us/j/102552756>

Or Simply Dial-In By Phone
877 853 5247 US Toll-free
888 788 0099 US Toll-free

Meeting ID: 102 552 756

1. CALL TO ORDER AND ROLL CALL
2. MEETING MINUTES APPROVAL – February 20, 2020
3. PUBLIC COMMENT
4. UNFINISHED BUSINESS
 - a. Purchasing And Procurement Policy Review – Draft Amendment To Resolution #2009-33 And Examples From Other Communities [NOTE: Committee Chair requests that item be tabled to focus on rest of agenda; no materials in meeting packet for this item]
5. NEW BUSINESS
 - a. 2020 Financing Package (Review Of Ehler's Financing Package). NOTE: includes addressing General Fund unassigned balance figure, TID #3 interfund transfers, street repair funding and items added March at Mayor's request. Three resolutions below are the companion resolutions to this agenda item.
 - b. Resolution #2020-09 Providing for the Sale of Approximately \$855,000 Taxable General Obligation Promissory Notes, Series 2020A
 - c. Resolution #2020-10 Providing for the Sale of Approximately \$945,000 Taxable General Obligation Refunding Bonds, Series 2020B
 - d. Resolution #2020-11 Providing for the Sale of Approximately \$1,170,000 General Obligation Promissory Notes, Series 2020C
 - e. Tax Incremental Finance Districts 2, 3 & 4, Return On Investment Reports
 - f. February Financial Statements
 - i. General Disbursements - \$1,243,022.29 *****
 - ii. Payroll – \$67,929.36 *****
 - iii. Treasurer's Report & Budget Reports *****
6. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS
7. ADJOURNMENT



Mo Hansen
Clerk/Treasurer

*****See Council Packet
***** Digital Version As Stand Alone Document On Webpage**

Committee Members: Thomas, Griffin and Kuhl

Posted, Emailed & Distributed: 03/31/2020

PLEASE NOTE: It is possible that members of and possibly a quorum of members of other governmental bodies of the municipality may be in attendance at the above meeting(s) to gather information. No action will be taken by any governmental body other than that specifically noticed. Also, upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. For additional information or to request such services please contact the clerk's office at the above location.

CITY OF WATERLOO FINANCE, INSURANCE & PERSONNEL COMMITTEE: MEETING MINUTES
February 20, 2020

1. CALL TO ORDER AND ROLL CALL. Thomas called the meeting to order at 6:00 p.m. Members present: Thomas, Kuhl & Griffin. Absent: none. Also attending: Barry Sorenson; Chad Yerges; Mayor Quimby and Clerk/Treasurer Hansen.
2. MEETING MINUTES APPROVAL – January 14, 2020. MOTION: Moved by Kuhl, seconded by Griffin to table minutes approval. VOICE VOTE: Motion carried.
3. PUBLIC COMMENT. None.
4. UNFINISHED BUSINESS
 - a. Purchasing And Procurement Policy Review – Draft Amendment To Resolution #2009-33. DISCUSSION: Referencing the materials, Thomas and Kuhl said they liked Beaver Dam. Thomas said he didn't like the School District document. Thomas indicated he would search for additional examples. No action taken.
 - b. Resolution #2020-01 2019 Carry-Overs. MOTION: Moved by Griffin, seconded by Kuhl to recommend Council approval. VOICE VOTE: Motion carried.
 - c. Converting To A Biennial Budget Process. DISCUSSION: Thomas referenced the statutes and outlined a timeline for implementation. He suggested using the coming months to practice and trial the idea. MOTION: By Consensus the Committee agreed to practice and trial the ideas.
5. NEW BUSINESS
 - a. Funding 2020 Summer Internship. DISCUSSION: The Mayor said the Clerk/Treasurer would be responsible for the day-to-day intern activities. Thomas said he would like to approve funding so in the event the applicant did not accept the opportunity another opportunity may be possible. MOTION: Moved by Kuhl, seconded by Griffin to recommend funding the summer internship as outlined in the meeting documents. VOICE VOTE: Motion carried.
 - b. Closure Of Tax Incremental District No. 4. DISCUSSION: Hansen said Jeff Tate had expressed interest in the use of TID #4 aid in the event he recruits an entity to lease vacant space at 808 North Monroe Street. Kuhl suggested the CDA take the lead on facilitating a Tate lease opportunity, making sure the City is behind the property owner. Hansen said closure would generate roughly \$10,000 in annual new revenue for the General Fund. MOTION: Moved by Kuhl, seconded by Griffin to table consideration until February of 2021. VOICE VOTE: Motion carried.
 - c. Examining Means & Methods To Rebuild Fund Balance Per §53-11 (Fund Balance Policies). DISCUSSION: Hansen said the need was to remedy a refinancing matter in TID #3 which was constricting the category of unassigned General Fund amounts. He said the Parks Fund also showed negative cash for year-end 2019 which furthered the unassigned General Fund amounts. He said 2019 TID #3 refinancing did not include inter-fund transfers. Kuhl, Thomas and Quimby said they thought the inter-funds were refinanced in 2019. Thomas and Quimby asked to see what figures Hansen described. Hansen said a prior strategy was to do as much as possible without borrowing. Thomas said once a negative balance was covered, it was covered in future years. Hansen said per the 2020 budget Parks negative cash would project to roughly -\$69,000 on 12/31/2020, if 2020 revenues equal expenditures. Kuhl asked to be kept informed. MOTION: Moved by Griffin, seconded by Kuhl to table the item. VOICE VOTE: Motion carried.
 - d. Tax Incremental Finance Districts 1-4, Return On Investment By Project Report. MOTION: Moved by Kuhl, seconded by Griffin to table the agenda item until such time as a report is ready.
 - e. January Financial Statements. MOTION: Moved by Kuhl, seconded by Griffin to recommend Council approval of the disbursements, payroll and reports. ROLL CALL: Ayes: Kuhl, Griffin and Thomas. Noes: None. Motion carried.
 - i. General Disbursements - \$2,014,975.75 ***
 - ii. Payroll – being calculated - \$108,405.85 ***
 - iii. Treasurer's Report & Budget Reports ***
6. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS ## Committee Calendar. Noted.
7. ADJOURNMENT. MOTION: Moved by Kuhl, seconded by Griffin to adjourn. VOICE VOTE: Motion carried. The time was approximately 6:50 pm.

Mo Hansen

Mo Hansen
Clerk/Treasurer



Base Case

Existing Debt Only Before Refunding (Base Case)

	Equalized Value Projection ¹	Change in EV	Annual P&I Payment	TID #2	TID #3	Amount to balance to Budgeted Levy	Net Levy for Debt Service	Net Rate for Debt Service	
Year									Year
2020	234,179,200	7.76%	878,921	(103,350)	(89,149)	(180,758)	505,664	2.16	2020
2021	235,831,999	0.71%	530,884	(103,350)	(89,149)		338,385	1.43	2021
2022	237,528,630	0.72%	526,924	(103,350)	(89,149)		334,425	1.41	2022
2023	239,233,902	0.72%	192,499		(89,149)		103,350	0.43	2023
2024	240,947,859	0.72%	89,149		(89,149)		0	0.00	2024
2025	242,670,546	0.71%	89,149		(89,149)		0	0.00	2025
2026	244,402,007	0.71%	89,149		(89,149)		0	0.00	2026
2027	246,142,286	0.71%	89,149		(89,149)		0	0.00	2027
2028	247,891,429	0.71%	89,189		(89,189)		0	0.00	2028
2029	249,649,481	0.71%	89,149		(89,149)		0	0.00	2029
2030	251,416,487	0.71%	89,149		(89,149)		0	0.00	2030
2031	253,192,492	0.71%	89,149		(89,149)		0	0.00	2031
2032	254,977,543	0.71%	89,149		(89,149)		0	0.00	2032
2033	256,771,685	0.70%	0		0		0	0.00	2033
2034	258,574,966	0.70%	0		0		0	0.00	2034
2035	260,387,431	0.70%	0		0		0	0.00	2035
2036	262,209,127	0.70%	0		0		0	0.00	2036
2037	264,040,101	0.70%	0		0		0	0.00	2037
2038	265,880,401	0.70%	0				0	0.00	2038
2039	267,730,073	0.70%	0				0	0.00	2039
2040	269,589,167	0.69%	0				0	0.00	2040
2041	271,457,729	0.69%	0				0	0.00	2041
							0		
TOTALS			2,931,607		(1,158,977)	(180,758)	1,281,824		TOTALS

NOTES:

¹Value shown for 2020 is actual (2019 EV). Assumes an annual increase of .75% thereafter.

²Figure shown for 2019 is actual levy for debt service.



Debt Sizing Worksheet

	Presale Taxable G.O. Note 2020A	Presale Taxable GO Refunding Bonds 2020B	Presale G.O. Note 2020C
Capital Projects to be Funded			
2020 Treyburn project (Road)			411,629
2020 Rood project (Road)			309,846
Municipal Building Roof Replacement			92,465
Firemen's Park Baseball field Renovation			49,585
Firemen's Park Masonry Repairs			17,360
Firemen's Park Sanitary Sewer Repairs			63,000
Land Purchase (2019)	49,462		
Legal, WE Energies & other fees	17,899		
Subtotal Capital Projects	67,361	0	943,885
Refinancing			
Refinance interfund advances to TID #3	749,472		
Refinance Monona State Bank loan 6/1/20 (TID #3)			
Principal without penalty		133,650	
Principal with penalty		757,351	
Interest due 6/1/2020		7,500	
1% penalty		7,574	
Transfer from prior debt service			
Refinance State Bank of Sun Prairie (Levy)			
Principal due 6/22 and 10/22			261,500
Interest due 6/1/2020			142
Less levied funds on hand			(81,908)
Subtotal Refinancing	749,472	906,075	179,734
Estimated Issuance Expenses			
Municipal Advisor (Ehlers)	11,700	12,500	18,100
Bond Counsel (Quarles & Brady LLP)	9,500	9,500	9,500
Disclosure Counsel (Quarles & Brady LLP If engaged)	5,700	5,700	5,700
Rating Agency (S&P)	0	0	0
Paying Agent (Bond Trust Services Corporation)	850	850	850
Subtotal Issuance Expenses	27,750	28,550	34,150
Underwriting Discount Allowance @ 1.0% bonds 0.7% Notes	5,985	9,450	8,190
TOTAL TO BE FINANCED	850,568	944,075	1,165,959
Rounding	4,432	925	4,041
NOTE OR BOND SIZE	855,000	945,000	1,170,000



Presale Estimate

Series 2020A Taxable General Obligation Promissory Notes Estimated Debt Service by Issue

	TID #3 Advance 2020A Taxable Notes \$785,000 <i>Latest Amortization 5-1-2030</i>				Municipal Projects 2020A Taxable Notes \$70,000 <i>Latest Amortization 5-1-2030</i>				Taxable GO Notes 2020A \$855,000 Dated 5/28/20				
Year	Prin (5/1)	Est. Rate ²	Interest	Total	Prin (5/1)	Est. Rate ²	Interest	Total	Prin (5/1)	Est. Rate ²	Interest	Total	Year
2019													2019
2020			7,858	7,858			576	576	0		8,434	8,434	2020
2021	50,000	1.900%	18,015	68,015	20,000	1.900%	1,165	21,165	70,000	1.900%	19,180	89,180	2021
2022	60,000	1.900%	16,970	76,970	20,000	1.900%	785	20,785	80,000	1.900%	17,755	97,755	2022
2023	70,000	1.900%	15,735	85,735	20,000	1.900%	405	20,405	90,000	1.900%	16,140	106,140	2023
2024	75,000	2.150%	14,264	89,264	10,000	2.150%	108	10,108	85,000	2.150%	14,371	99,371	2024
2025	80,000	2.150%	12,598	92,598	0	2.150%	0	0	80,000	2.150%	12,598	92,598	2025
2026	85,000	2.400%	10,718	95,718	0	2.400%	0	0	85,000	2.400%	10,718	95,718	2026
2027	85,000	2.400%	8,678	93,678	0	2.400%	0	0	85,000	2.400%	8,678	93,678	2027
2028	90,000	2.650%	6,465	96,465	0	2.650%	0	0	90,000	2.650%	6,465	96,465	2028
2029	95,000	2.650%	4,014	99,014	0	2.650%	0	0	95,000	2.650%	4,014	99,014	2029
2030	95,000	2.900%	1,378	96,378	0	2.900%	0	0	95,000	2.900%	1,378	96,378	2030
2031		2.900%	0	0		2.900%	0	0	0	2.900%	0	0	2031
2032		3.150%	0	0		3.150%	0	0	0	3.150%	0	0	2032
2033		3.150%	0	0		3.150%	0	0	0	3.150%	0	0	2033
2034		3.500%	0	0		3.500%	0	0	0	3.500%	0	0	2034
2035		3.500%	0	0		3.500%	0	0	0	3.500%	0	0	2035
2036		3.500%	0	0		3.500%	0	0	0	3.500%	0	0	2036
2037		3.500%	0	0		3.500%	0	0	0	3.500%	0	0	2037
2038		3.500%	0	0		3.500%	0	0	0	3.500%	0	0	2038
2039		0.150%	0	0		0.150%	0	0	0	0.150%	0	0	2039
TOTALS	785,000		116,691	901,691	70,000		3,038	73,038	855,000		119,729	974,729	TOTALS

NOTES:

1. Estimated taxable rates are Manawa non-rated sale of 3/16/20 puls .15

**Series 2020C Tax Exempt General Obligation Promissory Note:
 Estimated Debt Service by Issue**

Presale Estimate

	Street Projects Municipal Bldg Roof & Park Improvements (Levy) \$980,000 Latest Amortization 5-1-2030				Sun Prairie Bank Refunding (Levy) \$190,000 Latest Amortization 5-1-2028				G.O. Refunding Bonds, Series 2019B \$1,170,000 Dated 5/28/20				
Year	Prin (5/1)	Est. Rate ²	Interest	Total	Prin (5/1)	Est. Rate ²	Interest	Total	Prin (5/1)	Est. Rate ²	Interest	Total	Year
2019													2019
2020				0				0	0			0	2020
2021	210,000	1.650%	23,975	233,975	50,000	1.650%	4,311	54,311	260,000	1.650%	28,286	288,286	2021
2022	135,000	1.650%	13,461	148,461	50,000	1.650%	2,078	52,078	185,000	1.650%	15,539	200,539	2022
2023	135,000	1.850%	11,099	146,099	50,000	1.850%	1,203	51,203	185,000	1.850%	12,301	197,301	2023
2024	100,000	1.850%	8,925	108,925	40,000	1.850%	370	40,370	140,000	1.850%	9,295	149,295	2024
2025	100,000	1.850%	7,075	107,075		1.850%	0	0	100,000	1.850%	7,075	107,075	2025
2026	100,000	2.050%	5,125	105,125		2.050%	0	0	100,000	2.050%	5,125	105,125	2026
2027	100,000	2.050%	3,075	103,075		2.050%	0	0	100,000	2.050%	3,075	103,075	2027
2028	100,000	2.050%	1,025	101,025		2.050%	0	0	100,000	2.050%	1,025	101,025	2028
2029		2.350%	0	0		2.350%	0	0	0	2.350%	0	0	2029
2030		2.350%	0	0		2.350%	0	0	0	2.350%	0	0	2030
2031		2.350%	0	0		2.350%	0	0	0	2.350%	0	0	2031
2032		2.550%	0	0		2.550%	0	0	0	2.550%	0	0	2032
2033		2.550%	0	0		2.550%	0	0	0	2.550%	0	0	2033
2034		2.550%	0	0		2.550%	0	0	0	2.550%	0	0	2034
2035		2.800%	0	0		2.800%	0	0	0	2.800%	0	0	2035
2036		2.800%	0	0		2.800%	0	0	0	2.800%	0	0	2036
2037		2.800%	0	0		2.800%	0	0	0	2.800%	0	0	2037
2038		3.050%	0	0	0	3.050%	0	0	0	3.050%	0	0	2038
2039	0	3.050%				3.050%				3.050%			2039
TOTALS	980,000		73,760	1,053,760	190,000		7,961	197,961	1,170,000		81,721	1,251,721	TOTALS

Current Rate
 Est. Rate (TIC)

NOTES:

¹Estimated rates are Butler A1 rated sale of 3/17/20 plus .35

**Series 2019B General Obligation Refunding Bond
Projected Debt Service Payments**

Presale Estimate

Existing Debt Less refunded issues							
Year	Equalized Value Projection ¹	Change In EV	Annual P&I Payment	TID #2	TID #3	Net Levy for Debt Service	Net Rate for Debt Service
2020	234,179,200	7.76%	689,496	(103,350)	(80,482)	505,664	2.16
2021	235,831,999	0.71%	441,735	(103,350)		338,385	1.43
2022	237,528,630	0.72%	437,775	(103,350)		334,425	1.41
2023	239,233,902	0.72%	103,350			103,350	0.43
2024	240,947,859	0.72%	0			0	0.00
2025	242,670,546	0.71%	0			0	0.00
2026	244,402,007	0.71%	0			0	0.00
2027	246,142,286	0.71%	0			0	0.00
2028	247,891,429	0.71%	0			0	0.00
2029	249,649,481	0.71%	0			0	0.00
2030	251,416,487	0.71%	0			0	0.00
2031	253,192,492	0.71%	0			0	0.00
2032	254,977,543	0.71%	0			0	0.00
2033	256,771,685	0.70%	0			0	0.00
2034	258,574,966	0.70%	0			0	0.00
2035	260,387,431	0.70%	0			0	0.00
2036	262,209,127	0.70%	0			0	0.00
2037	264,040,101	0.70%	0			0	0.00
2038	265,880,401	0.70%	0			0	0.00
2039	267,730,073	0.70%	0			0	0.00
2040	269,589,167	0.69%	0			0	0.00
2041	271,457,729	0.69%	0			0	0.00
TOTALS			1,672,354		(80,482)	1,281,824	

Projected Payments and Tax Rate Impact of Proposed Financing															
2020 Taxable GO Notes \$855,000				2020 Taxable GO Refunding Bonds \$945,000				2020 Tax Exempt GO Notes \$1,170,000				TID #3	Net Levy for Debt Service ²	Net Rate for Debt Service	Year
Prin (5/1)	Est. Rate	Interest	Total	Prin (5/1)	Est. Rate	Interest	Total	Prin (6/1)	Est. Rate	Interest	Total				
		8,434	8,434			13,430	13,430			0	0	(26,436)	501,092	2.14	2020
70,000	1.900%	19,180	89,180			31,600	31,600	260,000	1.650%	28,286	288,286	(99,615)	647,836	2.75	2021
80,000	1.900%	17,755	97,755			31,600	31,600	185,000	1.650%	15,539	200,539	(108,570)	555,749	2.34	2022
90,000	1.900%	16,140	106,140			31,600	31,600	185,000	1.850%	12,301	197,301	(117,335)	321,056	1.34	2023
85,000	2.150%	14,371	99,371			31,600	31,600	140,000	1.850%	9,295	149,295	(120,864)	159,403	0.66	2024
80,000	2.150%	12,598	92,598			31,600	31,600	100,000	1.850%	7,075	107,075	(124,198)	107,075	0.44	2025
85,000	2.400%	10,718	95,718			31,600	31,600	100,000	2.050%	5,125	105,125	(127,318)	105,125	0.43	2026
85,000	2.400%	8,678	93,678			31,600	31,600	100,000	2.050%	3,075	103,075	(125,278)	103,075	0.42	2027
90,000	2.650%	6,465	96,465			31,600	31,600	100,000	2.050%	1,025	101,025	(128,065)	101,025	0.41	2028
95,000	2.650%	4,014	99,014			31,600	31,600	0	2.350%	0	0	(130,614)	0	0.00	2029
95,000	2.900%	1,378	96,378			31,600	31,600	0	2.350%	0	0	(127,978)	0	0.00	2030
0	2.900%	0	0	100,000	2.900%	30,150	130,150	0	2.350%	0	0	(130,150)	0	0.00	2031
0	3.150%	0	0	120,000	3.150%	26,810	146,810	0	2.550%	0	0	(146,810)	0	0.00	2032
0	3.150%	0	0	130,000	3.150%	22,873	152,873	0	2.550%	0	0	(152,873)	0	0.00	2033
0	3.500%	0	0	140,000	3.500%	18,375	158,375	0	2.550%	0	0	(158,375)	0	0.00	2034
0	3.500%	0	0	150,000	3.500%	13,300	163,300	0	2.800%	0	0	(163,300)	0	0.00	2035
0	3.500%	0	0	150,000	3.500%	8,050	158,050	0	2.800%	0	0	(158,050)	0	0.00	2036
0	3.500%	0	0	155,000	3.500%	2,713	157,713	0	2.800%	0	0	(157,713)	0	0.00	2037
0	3.500%	0	0	0	3.050%	0	0	0	3.050%	0	0	0	0	0.00	2038
								0				0	0	0.00	2039
								0				0	0	0.00	2040
												0	0	0.00	2041
855,000		119,729	974,729	945,000		451,700	1,396,700	1,170,000		81,721	1,251,721	(2,303,539)	2,601,435		TOTALS

NOTES:
¹Value shown for 2020 is actual (2019 EV). Assumes an annual increase of .75%.
²Figure shown for 2020 is actual levy for debt service.
³Estimated taxable rates are Manawa non-rated sale of 3/16/20 plus .15
⁴Estimated rates are Butler A1 rated sale of 3/17/20 plus .35

Current and Projected Debt Limit Calculations

YEAR	PROJECTED EQUALIZED VALUE ¹	Change in EV	DEBT LIMIT	EXIST DEBT PRIN OUTS	2020A Taxable GO Notes	2020B Taxable GO Bonds	2020C Tax Exempt GO Notes	COMB EXIST & NEW PRIN	% OF STATE LIMIT	RESIDUAL CAPACITY	YEAR
2019	234,179,200	4.77%	11,708,960	2,608,305				2,608,305	22.28%	9,100,655	2019
2020	235,831,999	0.71%	11,791,600	938,746	855,000	945,000	1,170,000	3,908,746	33.15%	7,882,854	2020
2021	237,528,630	0.72%	11,876,432	523,475	785,000	945,000	910,000	3,163,475	26.64%	8,712,957	2021
2022	239,233,902	0.72%	11,961,695	100,583	705,000	945,000	725,000	2,475,583	20.70%	9,486,112	2022
2023	240,947,859	0.72%	12,047,393	0	615,000	945,000	540,000	2,100,000	17.43%	9,947,393	2023
2024	242,670,546	0.71%	12,133,527	0	530,000	945,000	400,000	1,875,000	15.45%	10,258,527	2024
2025	244,402,007	0.71%	12,220,100	0	450,000	945,000	300,000	1,695,000	13.87%	10,525,100	2025
2026	246,142,286	0.71%	12,307,114	0	365,000	945,000	200,000	1,510,000	12.27%	10,797,114	2026
2027	247,891,429	0.71%	12,394,571	0	280,000	945,000	100,000	1,325,000	10.69%	11,069,571	2027
2028	249,649,481	0.71%	12,482,474	0	190,000	945,000	0	1,135,000	9.09%	11,347,474	2028
2029	251,416,487	0.71%	12,570,824	0	95,000	945,000	0	1,040,000	8.27%	11,530,824	2029
2030	253,192,492	0.71%	12,659,625	0	0	945,000	0	945,000	7.46%	11,714,625	2030
2031	254,977,543	0.71%	12,748,877	0	0	845,000		845,000	6.63%	11,903,877	2031
2032	256,771,685	0.70%	12,838,584	0	0	725,000		725,000	5.65%	12,113,584	2032
2033	258,574,966	0.70%	12,928,748	0	0	595,000		595,000	4.60%	12,333,748	2033
2034	260,387,431	0.70%	13,019,372	0	0	455,000		455,000	3.49%	12,564,372	2034
2035	262,209,127	0.70%	13,110,456	0	0	305,000		305,000	2.33%	12,805,456	2035
2036	264,040,101	0.70%	13,202,005	0	0	155,000		155,000	1.17%	13,047,005	2036
2037	265,880,401	0.70%	13,294,020	0	0	0		0	0.00%	13,294,020	2037
2038	267,730,073	0.70%	13,386,504	0	0	0		0	0.00%	13,386,504	2038
2039	269,589,167	0.69%	13,479,458	0	0	0		0	0.00%	13,479,458	2039
2040	271,457,729	0.69%	13,572,886	0	0			0	0.00%	13,572,886	2040
2041	273,335,808	0.69%	13,666,790	0				0	0.00%	13,666,790	2041

NOTES:

¹Value shown for 2019 is actual. Assumes an annual \$9,453,075 increase in the Town's equalized value thereafter. (Five-year actual average).

²Per the Town's Debt Management Policy, the Town has a self imposed debt limit equal to 50% of the limit imposed by the Wisconsin State Constitution.

Resolution No. 2020-09

RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY
\$855,000 TAXABLE GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020A

WHEREAS the City of Waterloo, Jefferson County, Wisconsin (the "City") is presently in need of an amount of approximately \$855,000 for public purposes, including financing the acquisition of land and reimbursing advances made to pay project costs of Tax Incremental District No. 3; and

WHEREAS it is desirable to borrow said funds through the issuance of general obligation promissory notes pursuant to Section 67.12(12), Wisconsin Statutes; and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such general obligation promissory notes on a taxable rather than tax-exempt basis.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. The Notes. The City shall issue its Taxable General Obligation Promissory Notes, Series 2020A in an amount of approximately \$855,000 (the "Notes") for the purposes above specified.

Section 2. Sale of Notes. The Common Council hereby authorizes and directs that the Notes be offered for sale. At a subsequent meeting, the Common Council shall consider any proposals or bids for the Notes as may have been received and take action thereon.

Section 3. Official Statement. The City Clerk shall cause an Official Statement concerning this issue to be prepared by Ehlers & Associates, Inc. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Official Statement, such certification to constitute full authorization of such Official Statement under this resolution.

Adopted, approved and recorded April 2, 2020.

Jenifer Quimby
Mayor

ATTEST:

Morton J. Hansen
City Clerk

(SEAL)

Resolution No. 2020-10

RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY
\$945,000 TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2020B

WHEREAS, the City of Waterloo, Jefferson County, Wisconsin (the "City") is presently in need of approximately \$945,000 for the public purpose of refunding certain outstanding obligations of the City, specifically the General Obligation Promissory Note, dated September 6, 2019;

WHEREAS, the Common Council deems it to be necessary, desirable and in the best interest of the City to borrow said funds through the issuance of general obligation refunding bonds; and

WHEREAS, due to certain provisions contained in the Internal Revenue Code of 1986, as amended, it is necessary to issue such general obligation refunding bonds on a taxable rather than tax-exempt basis.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Issuance of the Bonds. The City shall issue its Taxable General Obligation Refunding Bonds, Series 2020B in an amount of approximately \$945,000 (the "Bonds") for the purpose above specified.

Section 2. Sale of Bonds. The Common Council hereby authorizes and directs that the Bonds be offered for sale. At a subsequent meeting, the Common Council shall consider any proposals or bids for the Bonds as may have been received and take action thereon.

Section 3. Official Statement. The City Clerk shall cause an Official Statement concerning this issue to be prepared by Ehlers & Associates, Inc. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Official Statement, such certification to constitute full authorization of such Official Statement under this resolution.

Adopted, approved and recorded April 2, 2020.

Jenifer Quimby
Mayor

ATTEST:

Morton J. Hansen
City Clerk

(SEAL)

Resolution No. 2020-11

RESOLUTION PROVIDING FOR THE SALE OF APPROXIMATELY
\$1,170,000 GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2020C

WHEREAS the City of Waterloo, Jefferson County, Wisconsin (the "City") is presently in need of approximately \$1,170,000 for public purposes, including paying the cost of street improvement projects, municipal building roof replacement and park improvement projects and refunding the General Obligation Promissory Note, dated May 22, 2019; and

WHEREAS it is desirable to borrow said funds through the issuance of general obligation promissory notes pursuant to Section 67.12(12), Wisconsin Statutes.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. The Notes. The City shall issue its General Obligation Promissory Notes, Series 2020C in an amount of approximately \$1,170,000 (the "Notes") for the purposes above specified.

Section 2. Sale of Notes. The Common Council hereby authorizes and directs that the Notes be offered for sale. At a subsequent meeting, the Common Council shall consider any proposals or bids for the Notes as may have been received and take action thereon.

Section 3. Official Statement. The City Clerk shall cause an Official Statement concerning this issue to be prepared by Ehlers & Associates, Inc. The appropriate City officials shall determine when the Official Statement is final for purposes of Securities and Exchange Commission Rule 15c2-12 and shall certify said Official Statement, such certification to constitute full authorization of such Official Statement under this resolution.

Adopted, approved and recorded April 2, 2020.

Jenifer Quimby
Mayor

ATTEST:

Morton J. Hansen
City Clerk

(SEAL)

Item 5B Tax Incremental Finance Reports

Reports for Districts 2, 3 & 4 consist of
a one page project summaries and
the draft audit findings for the same

District: TIF 2

Start Year: 1-Jan-11 Last Year Proj Costs 21-Jul-33 Last Year Increment 2039

	Year	Income Fund Source	Expenses Use of Funds	Over/(Under) Revenue	Over/(Under) TIF Life
ACTUAL	2011	\$ 1,000	\$ 23,110	\$ (22,110)	\$ (22,110)
	2012	\$ 1,000	\$ 83,986	\$ (82,986)	\$ (105,096)
	2013	\$ 997,439	\$ 1,211,314	\$ (213,875)	\$ (318,971)
	2014	\$ 9,121	\$ 209,288	\$ (200,167)	\$ (519,138)
	2015	\$ 1,800	\$ 314,413	\$ (312,613)	\$ (831,751)
	2016	\$ 706	\$ 301,700	\$ (300,994)	\$ (1,132,745)
	2017	\$ 525,672	\$ 197,900	\$ 327,772	\$ (804,973)
	2018	\$ 933,660	\$ 196,416	\$ 737,244	\$ (67,729)
	2019	\$ 1,162,915	\$ 148,233	\$ 1,014,682	\$ 946,953
PROJECTED	2020	\$ 236,302	\$ 129,931	\$ 106,371	\$ 1,053,324
	2021	\$ 306,534	\$ 130,000	\$ 176,534	\$ 1,229,858
	2022	\$ 307,586	\$ 130,000	\$ 177,586	\$ 1,407,444
	2023	\$ 308,646	\$ 130,000	\$ 178,646	\$ 1,586,090
	2024	\$ 309,714	\$ 90,019	\$ 219,695	\$ 1,805,785
	2025	\$ 310,789	\$ 89,505	\$ 221,284	\$ 2,027,069
	2026	\$ 311,873	\$ 158,581	\$ 153,292	\$ 2,180,361
	2027	\$ 312,965	\$ 158,581	\$ 154,384	\$ 2,334,745
	2028	\$ 314,065	\$ 158,581	\$ 155,484	\$ 2,490,229
	2029	\$ 315,173	\$ 158,581	\$ 156,592	\$ 2,646,821
	2030	\$ 316,289	\$ 158,581	\$ 157,708	\$ 2,804,529
	2031	\$ 317,414	\$ 158,581	\$ 158,833	\$ 2,963,362
	2032	\$ 318,548	\$ 158,581	\$ 159,967	\$ 3,123,329
	2033	\$ 319,690	\$ 158,581	\$ 161,109	\$ 3,284,438
	2034	\$ 320,840	\$ 26,581	\$ 294,259	\$ 3,578,697
	2035	\$ 321,999	\$ 26,581	\$ 295,418	\$ 3,874,115
	2036	\$ 323,167	\$ 26,581	\$ 296,586	\$ 4,170,701
	2037	\$ 324,343	\$ 26,581	\$ 297,762	\$ 4,468,463
	2038	\$ 325,529	\$ 26,581	\$ 298,948	\$ 4,767,411
2039	\$ 325,529	\$ 26,581	\$ 298,948	\$ 5,066,359	

Parcels in TIF 2: 575 W Madison St, Hawthorne & Stone,

TOTALS THRU 2019 \$ 3,633,313 \$ 2,686,360 \$ 946,953

Notes:

- 2013-Debt Issuane-State Trust Fund Loan - (900K), RR Donn Income - (94 K)
- 2013- Developer and Cap Expense (1.06 m) - H & S, RR Donnelly Bldg
- 2014- Debt payment (104 K), Cap Exp- H& S (52 K)
- 2015- Debt payment (104 K), Monroe St Apt (150 K), Other Façade Grants (52 K)
- 2016-Debt Payment (104 K), Canal & Riverwalk (195 K)
- 2017-TIF 1 Subsidy (404 K), Tax Increment (46 K0, Developer Agreement (74 K)
- 2017-Debt Payment (104 K), 203 E Madison (49 K), Riverwalk (25 K)
- 2018-TIF 1 Subsidy (789 K), Tax Increment (61 K), Flood Grant (22 K), Dev Agree (62 K)
- 2018-Debt Payment (104 K), Redsicover Bldg Imp/HVAC (71 K), CDA (6 K)
- 2019-WEDC Grant (522 K), Dev Agree (61 K), TIF 1 (522 K), Tax Increment (44 K), Impact Fee's (6 K)
- 2019-Debt Payment (104 K), CDA (25 K)

CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2
Waterloo, Wisconsin

COMPILED
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

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

DRAFT

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

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

Accountants' Compilation Report	1
Tax Incremental District No. 2 – Balance Sheet	2
Tax Incremental District No. 2 – Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 2 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 10
Supplementary Information	
Tax Incremental District No. 2 – Detailed Schedule of Sources, Uses, and Status of Funds	11
Tax Incremental District No. 2 – Detailed Schedule of Capital, Developer Incentive, and Professional Service Expenditures	12

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Cash and investments	\$ 946,953
Taxes receivable	<u>51,248</u>
TOTAL ASSETS	<u>\$ 998,201</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Deferred Inflows of Resources	
Unearned revenue	\$ <u>51,248</u>
Fund Balance	
Restricted	<u>946,953</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 998,201</u>

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

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

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	\$ -	\$ 537,152
Developer incentives	-	1,019,414
Professional services - planning, engineering, other	44,883	509,695
Interest and fiscal charges	<u>13,110</u>	<u>106,539</u>
Total Project Costs	<u>57,993</u>	<u>2,172,800</u>
PROJECT REVENUES		
Tax increments	43,357	151,855
Exempt computer aid	783	5,662
Intergovernmental grants	530,082	551,862
Subsidy from TIF No. 1	522,147	1,716,472
Sale of property	-	1,100
Developer guarantees	60,552	194,638
Miscellaneous revenues	<u>5,994</u>	<u>111,724</u>
Total Project Revenues	<u>1,162,915</u>	<u>2,733,313</u>
NET COST TO BE RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2019		
	<u>\$ (1,104,922)</u>	<u>\$ (560,513)</u>
RECONCILIATION OF RECOVERABLE COSTS		
G.O. debt		\$ 386,440
Less: Fund balance		<u>(946,953)</u>
NET COST TO BE RECOVERABLE THROUGH TAX INCREMENTS – DECEMBER 31, 2019		
		<u>\$ (560,513)</u>

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

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

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	\$ 43,357	\$ 151,855
Exempt computer aid	783	5,662
Intergovernmental grants	530,082	551,862
Subsidy from TIF No. 1	522,147	1,716,472
Sale of property	-	1,100
Developer guarantees	60,552	194,638
Miscellaneous revenues	5,994	111,724
Long-term debt issued	-	900,000
Total Sources of Funds	<u>1,162,915</u>	<u>3,633,313</u>
USES OF FUNDS		
Capital expenditures	-	537,152
Developer incentives	-	1,019,414
Professional services - planning, engineering, other	44,883	509,695
Interest and fiscal charges	13,110	106,539
Principal on long-term debt	<u>90,240</u>	<u>513,560</u>
Total Uses of Funds	<u>148,233</u>	<u>2,686,360</u>
Excess of sources of funds over uses of funds	1,014,682	946,953
BEGINNING FUND BALANCE (DEFICIT)	<u>(67,729)</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 946,953</u>	<u>\$ 946,953</u>

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

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Waterloo's Tax Incremental District No. 2 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Waterloo has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 2. The accompanying financial statements reflect all the significant operations of the City of Waterloo's Tax Incremental District No. 2. The accompanying financial statements do not include the full presentation of the City of Waterloo.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the City of Waterloo's Tax Incremental District No. 2. The summary statements were prepared from data recorded in the following fund and the city's long-term debt:

Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the City of Waterloo'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 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 improvement 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 district to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Waterloo. Project costs may be incurred up to five years before the unextended termination date of the district.

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 2	January 1, 2011	July 21, 2033	2039

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

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

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT (cont.)

Plan Amendment

	Adoption Date	Last Date to Incur Project Costs
TID No. 2	December 5, 2013	July 21, 2033

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 district is entitled to the aids.

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.

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.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

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

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 statement 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 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 district invests its 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. 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 of Waterloo, maintains separate and common cash and investment accounts at the same financial institutions utilized by the City of Waterloo. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Waterloo as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 3 – LONG-TERM DEBT

A. GENERAL OBLIGATION DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Waterloo. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the district. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12-31-19
State Trust Fund Loan	07/01/13	05/15/23	2.75%	\$ 900,000	\$ 513,560	\$ 386,440

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

Calendar Year	Principal	Interest	Totals
2020	\$ 92,693	\$ 10,656	\$ 103,349
2021	95,271	8,078	103,349
2022	97,891	5,458	103,349
2023	100,585	2,766	103,351
Totals	\$ 386,440	\$ 26,958	\$ 413,398

NOTE 4 – INCREMENT SHARING

As allowable under TIF statutes, the district may share positive TIF increments. In 2011, the common council and joint review board approved sharing increments from TIF District No. 1 (donor district) to TIF District No. 2 (donee district). Transfers will be reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in 2012. TIF increment sharing is valid for the life of the donor district or the recipient district, whichever date comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes. Transfers started in 2017, and during 2019 additional transfers of \$522,147 were made, bringing the total to \$1,716,472.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 5 – GUARANTEED REVENUE

In 2013, the city acquired multiple parcels (“properties”) for \$1 as part of one transaction with the WP Carey Corporation. The bulk of the acreage is located in TIF No. 2 with two parcels located adjacent to TIF No. 2 or within a ½ mile radius of TIF No. 2. The property owner, WP Carey Corporation, was thirteen years into a seventeen year lease-back arrangement with the RR Donnelley Corporation, the lease-holder.

Both corporations were seeking to exit the city. Provisions in the long-term lease-back arrangement permitted a “one-time only, all-in-one” sale of the properties during the term of the lease. As such, a sale could only occur if all of the properties were sold in one transaction.

During 2013, the city purchased the properties for \$1. The properties had been sitting vacant in the city for numerous years with no interested buyers until the city offered to buy the properties in one transaction and break them into separate components. The city purchased the property with the intent to divide it into six (6) components and sell to developers to generate additional tax base in TIF No. 2, as well as create additional jobs in the city.

The following are the six property components and the status as of December 31, 2019:

1. Warehouse 1 was sold to a local business for \$1 in 2013.
2. Warehouse 2 was also sold to a local business for \$1 in 2013.
3. Warehouse 3 (275 S. Jackson) was sold to a recycling company in 2013 for approximately \$8,400.
4. The Corporate Office (575 W. Madison) was sold in January 2014 for \$1.
5. The parking lot (217 N. Monroe) which was the last piece of property was sold during March 2016 for \$1.
6. The Printing Plant (333 W. Madison) was sold in December 2014 for \$1.

The city entered into a developer agreement with Hawthorn & Stone, Inc. on June 25, 2013. For each revenue year beginning with revenue year 2016, the developer guarantees that the tax increment generated by the parcel during the revenue year should equal or exceed the guaranteed TIF revenue for the revenue year. If the city receives less than the guaranteed TIF revenue for the revenue year then the developer shall pay to the city an amount equal to the difference. This difference equated to \$73,725 in 2017, \$60,361 in 2018, and \$60,552 in 2019, and was paid in full to the district by year-end. Any developer subsidy not paid will bear an interest rate of 6.0% per year until paid. As a part of the developer agreement, the developer shall also employ not less than three (3) full time employment positions at the facilities. The original developer agreement was amended in 2018 which resulted in changes to the developer guaranteed amounts.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 5 – GUARANTEED REVENUE (cont.)

On December 11, 2013, the city entered into a developer agreement with Lang Group, LLC relating to the corporate office at 575 W. Madison Street. For each revenue year beginning with revenue year 2016, the developer guarantees that the tax increment generated by the parcel during the revenue year should equal or exceed the guaranteed TIF revenue for the revenue year. If the city receives less than the guaranteed TIF revenue for the revenue year then the developer shall pay to the city an amount equal to the difference. Any developer subsidy not paid will bear an interest rate of 18.0% per year until paid. No shortfall payments have been required on this agreement.

On March 23, 2015, the city entered into a developer agreement with Movin' Out Waterloo MM, LLC relating to 217 N. Monroe Street. As part of the agreement for each revenue year beginning with revenue year 2018, the developer guarantees that the tax increment generated by the parcel during the revenue year should equal or exceed the guaranteed TIF revenue for the revenue year. If the city receives less than the guaranteed TIF revenue for the revenue year then the developer shall pay to the city an amount equal to the difference. Any developer subsidy not paid will bear an interest rate of 18.0% per year until paid. No shortfall payments have been required on this agreement.

NOTE 6 – DEVELOPER PAYMENTS

As part of the amended developer agreement with Hawthorn & Stone, Inc., the city promises to pay the developer, subject to certain terms and conditions, the amount of \$1,182,362. The city is obligated to make these payments before September 30 of each Revenue Year, commencing with Revenue Year 2024. The obligation ceases upon the earlier of (i) the expiration of the term of the TIF district, or (ii) payment of the sum of \$1,182,362. The city paid out an \$800,000 contribution related to this agreement during 2013.

The city paid a \$150,000 contribution to Movin' Out Waterloo MM, LLC during 2015 which was derived from the proceeds of a WEDC grant.

The city paid a \$69,414 contribution to Rediscovered LLC during 2018 which was derived from the proceeds of a WEDC grant.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS
From the Date of Creation Through December 31, 2019

	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
SOURCES OF FUNDS											
Tax increments	\$ -	\$ -	\$ 1,976	\$ -	\$ -	\$ -	\$ 45,628	\$ 60,894	\$ 43,357	\$ 151,855	\$ 6,662,540
Exempt computer aid	-	-	1,053	803	798	706	754	765	783	5,662	-
Intergovernmental grants	-	-	-	-	-	-	-	21,780	530,082	551,862	-
Investment income	-	-	-	-	-	-	-	-	-	-	106,054
Subsidy from TIF No. 1	-	-	-	-	-	-	404,465	789,860	522,147	1,716,472	900,000
Sale of property	-	-	-	-	-	-	1,100	-	-	1,100	-
Developer guarantees	-	-	-	-	-	-	73,725	60,361	60,552	194,638	-
Miscellaneous revenues	1,000	1,000	94,410	8,318	1,002	-	-	-	5,994	111,724	1,000
Long-term debt issued	-	-	900,000	-	-	-	-	-	-	900,000	2,645,000
Total Sources of Funds	1,000	1,000	997,439	9,121	1,800	706	525,672	933,660	1,162,915	3,633,313	10,314,594
USES OF FUNDS											
Capital expenditures	1,491	-	208,221	51,744	2,263	194,997	76,056	2,380	-	537,152	1,830,000
Developer incentives	-	-	800,000	-	150,000	-	-	69,414	-	1,019,414	3,340,000
Professional services - planning, engineering, other	21,619	83,986	203,093	54,194	58,800	3,353	18,495	21,272	44,883	509,695	338,793
Interest and fiscal charges	-	-	-	17,427	22,388	20,216	17,874	15,524	13,110	106,539	1,327,091
Principal on long-term debt	-	-	-	85,923	80,962	83,134	85,475	87,826	90,240	513,560	2,645,000
Total Uses of Funds	23,110	83,986	1,211,314	209,288	314,413	301,700	197,900	196,416	148,233	2,686,360	9,480,884
FUND BALANCE – DECEMBER 31, 2019										\$ 946,953	

See accountants' compilation report.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 2**

COMPILED
DETAILED SCHEDULE OF CAPITAL, DEVELOPER INCENTIVE, AND
PROFESSIONAL SERVICE EXPENDITURES
From the Date of Creation Through December 31, 2019

	Actual	Project Plan Estimate
<u>Original Project Plan</u>		
Development incentives	\$ 800,000	\$ 1,120,000
Downtown property improvements	190,712	80,000
Signage and way finding	-	15,000
Riverfront/parking improvements	271,053	130,000
Professional services	210,188	178,793
Utility improvements	-	100,000
TID creation and administration	20,000	25,000
<u>Amended Project Plan</u>		
Developer incentives	219,414	2,220,000
Demolition	75,387	100,000
Public infrastructure	-	520,000
Revolving loan	-	350,000
Professional services	279,507	135,000
Utility improvements	-	535,000
TOTAL CAPITAL, DEVELOPER INCENTIVE, AND PROFESSIONAL SERVICE EXPENDITURES	\$ 2,066,261	\$ 5,508,793

See accountants' compilation report.

District: **TIF 3**

Start Year: **Jan 1,2012** Last Year Proj Costs **24-Apr-27** Last Year Increment **2032**

	Year	Income Fund Source	Expenses Use of Funds	Over/(Under) Revenue	Over/(Under) TIF Life
ACTUAL	2012	\$ -	\$ 184,822	\$ (184,822)	\$ (184,822)
	2013	\$ -	\$ 5,923	\$ (5,923)	\$ (190,745)
	2014	\$ 5,416	\$ 12,545	\$ (7,129)	\$ (197,874)
	2015	\$ 44,306	\$ 44,694	\$ (388)	\$ (198,262)
	2016	\$ 27,431	\$ 9,340	\$ 18,091	\$ (180,171)
	2017	\$ 1,062,271	\$ 1,004,460	\$ 57,811	\$ (122,360)
	2018	\$ 31,416	\$ 549,546	\$ (518,130)	\$ (640,490)
	2019	\$ 1,021,190	\$ 1,130,172	\$ (108,982)	\$ (749,472)
PROJECTED	2020	\$ 851,472	\$ 1,669,087	\$ (817,615)	\$ (1,567,087)
	2021	\$ 102,403	\$ 650	\$ 101,753	\$ (1,465,334)
	2022	\$ 102,403	\$ 650	\$ 101,753	\$ (1,363,581)
	2023	\$ 102,403	\$ 650	\$ 101,753	\$ (1,261,828)
	2024	\$ 102,403	\$ 650	\$ 101,753	\$ (1,160,075)
	2025	\$ 102,403	\$ 650	\$ 101,753	\$ (1,058,322)
	2026	\$ 102,403	\$ 650	\$ 101,753	\$ (956,569)
	2027	\$ 102,403	\$ 650	\$ 101,753	\$ (854,816)
	2028	\$ 102,403	\$ 650	\$ 101,753	\$ (753,063)
	2029	\$ 102,403	\$ 650	\$ 101,753	\$ (651,310)
	2030	\$ 102,403	\$ 650	\$ 101,753	\$ (549,557)
	2031	\$ 102,403	\$ 650	\$ 101,753	\$ (447,804)
	2032	\$ 102,403	\$ 650	\$ 101,753	\$ (346,051)

Parcels in TIF 3: ABE MFG, REGIS RUBBER, 333 PORTLAND RD

TOTALS THRU 2019 \$ 3,248,308 \$ 4,610,589 \$ (749,472)

Notes:

- 2012-Lot 8/9 Eastside Bus Park-162K of Expense
- 2015-McLain Write off Expense from TIF 1 (41K)
- 2017-ABE, Intial debt issued (1,038 K) and Developer Incentives Expensed (981 K)
- 2018-Krause Excavating (350 K) for Commercial. 333 Portland Rd (110 K). Waterloo Util (13 K) for Comm Ave
- 2019-Paid off 2017 debt issuance (1,038), new debt issuance (919 K), WEDC Grant (62K)
- 2019-333 Portland Rd & Cell Tower Expense (29 K)

CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 3
Waterloo, Wisconsin

COMPILED
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

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

DRAFT

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

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

Accountants' Compilation Report	1
Tax Incremental District No. 3 – Balance Sheet	2
Tax Incremental District No. 3 – Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 3 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 9
Supplementary Information	
Tax Incremental District No. 3 – Detailed Schedule of Sources, Uses, and Status of Funds	10
Tax Incremental District No. 3 – Detailed Schedule of Capital, Developer Incentive and Professional Services Expenditures	11

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

COMPILED
BALANCE SHEET
As of December 31, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Taxes receivable	\$ <u>89,163</u>
TOTAL ASSETS	<u>\$ 89,163</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Advances from city fund	\$ <u>749,472</u>
Deferred Inflows of Resources	
Unearned revenue	<u>89,163</u>
Fund Balance	
Unassigned (deficit)	<u>(749,472)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	<u>\$ 89,163</u>

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

**CITY OF WATERLOO
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	\$ 22,919	\$ 570,941
Professional services - planning, engineering, other	7,080	158,484
Developer incentives	-	1,100,887
Interest and fiscal charges	61,890	61,890
Interest on advances	-	11,017
Total Project Costs	<u>91,889</u>	<u>1,903,219</u>
PROJECT REVENUES		
Tax increments	18,973	149,405
Exempt computer aid	320	2,445
Intergovernmental grants	62,282	62,282
Developer guarantees	<u>20,000</u>	<u>20,000</u>
Total Project Revenues	<u>101,575</u>	<u>234,132</u>
NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2019	<u>\$ (9,686)</u>	<u>\$ 1,669,087</u>
RECONCILIATION OF RECOVERABLE COSTS		
G.O. debt		\$ 919,615
Plus: Negative fund balance		<u>749,472</u>
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS – DECEMBER 31, 2019		<u>\$ 1,669,087</u>

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

**CITY OF WATERLOO
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

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 18,973	\$ 149,405
Exempt computer aid	320	2,445
Intergovernmental grants	62,282	62,282
Developer guarantees	20,000	20,000
Long-term debt issued	919,615	1,957,898
Total Sources of Funds	<u>1,021,190</u>	<u>2,192,030</u>
USES OF FUNDS		
Capital expenditures	22,919	570,941
Professional services - planning, engineering, other	7,080	158,484
Developer incentives	-	1,100,887
Interest and fiscal charges	61,890	61,890
Interest on advances	-	11,017
Principal on long-term debt	1,038,283	1,038,283
Total Uses of Funds	<u>1,130,172</u>	<u>2,941,502</u>
Excess (deficiency) of sources of funds over uses of funds	(108,982)	(749,472)
BEGINNING FUND BALANCE (DEFICIT)	<u>(640,490)</u>	-
ENDING FUND BALANCE (DEFICIT)	<u>\$ (749,472)</u>	<u>\$ (749,472)</u>

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

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

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Waterloo's Tax Incremental District No. 3 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Waterloo has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 3. The accompanying financial statements reflect all the significant operations of the City of Waterloo's Tax Incremental District No. 3. The accompanying financial statements do not include the full presentation of the City of Waterloo.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the City of Waterloo's Tax Incremental District No. 3. The summary statements were prepared from data recorded in the following fund and the city's long-term debt:

Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the City of Waterloo'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 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 improvement 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 district to collect tax increments until the net project cost has been fully recovered, or until 20 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Waterloo. Project costs may be incurred up to five years before the unextended termination date of the district.

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 3	January 1, 2012	April 24, 2027	2032

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

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

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

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 district is entitled to the aids.

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.

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 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.

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

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

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

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 an 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 district invests its 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. 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 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 Waterloo as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

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

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 3 – LONG-TERM DEBT

A. GENERAL OBLIGATION DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the City of Waterloo. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the TIF No. 3 fund. If those revenues are not sufficient, payments will be made by future tax levies or utility revenues, as applicable.

	Original Amount Borrowed	Repaid	Balance 12-31-19
2017 Promissory Note dated September 1, 2017 with an interest rate of 3%. Total amount borrowed was \$1,038,283, of which 100% was for TIF No. 3. This was refunded during 2019 with the issuance below.	\$ 1,038,283	\$ 1,038,283	\$ -
2019 Refunding Note dated September 6, 2019 with an interest rate of 3.55%. Total amount borrowed was \$919,615, of which 100% was for TIF No. 3. Final maturity is September 1, 2032.	919,615	-	919,615
Totals	<u>\$ 1,957,898</u>	<u>\$ 1,038,283</u>	<u>\$ 919,615</u>

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

Calendar Year	Principal	Interest	Totals
2020	\$ 57,022	\$ 32,127	\$ 89,149
2021	58,631	30,518	89,149
2022	60,760	28,389	89,149
2023	62,967	26,182	89,149
2024	65,254	23,895	89,149
2025-2029	363,585	82,160	445,745
2030-2032	251,396	16,051	267,447
Totals	<u>\$ 919,615</u>	<u>\$ 239,322</u>	<u>\$ 1,158,937</u>

NOTE 4 – ADVANCES FROM CITY FUND

The General Fund is advancing funds to the district. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. No repayment schedule has been determined for this advance. No interest was charged on the General Fund advance in 2019.

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

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 5 – GUARANTEED REVENUE

On July 27, 2012, TIF District No. 3 entered into a development agreement with Regius Rubber, LLC and Pappy's Property, LLC. The agreement guarantees that the developers shall pay the difference between the guaranteed tax increment and the tax increment actually levied on an annual basis.

The developer agreed to construct a facility in TIF District No. 3 so that the fair market value starting January 1, 2013 would never be less than \$648,825. If the development generates less than \$648,825 in fair market value, the developer will owe the city an amount equal to the difference between the actual tax increment generated by the fair market value as assessed and equalized and the sum of the tax increment that should have been generated by the fair market value had the aforesaid value of \$648,825 been attained. No shortfall payments have been required on this agreement.

On August 31, 2017, TIF District No. 3 entered into a development agreement with HIEP, LLC. The agreement guarantees that the developers shall pay the difference between the guaranteed tax increment and the tax increment actually levied on an annual basis.

The developer agreed to construct a 25,000 sq. ft. manufacturing and research facility in TIF District No. 3 with an assessable value of no less than \$3,500,000. If the development generates less than \$3,500,000 in fair market value, the developer will owe the city an amount equal to the difference between the actual tax increment generated by the fair market value as assessed and equalized and the sum of the tax increment that should have been generated by the fair market value had the aforesaid value of \$3,500,000 been attained. The developer paid the district \$20,000 during 2019 related to the shortfall provisions of this agreement.

NOTE 6 – DEVELOPER PAYMENTS

Per Note 5, TIF District No. 3 has entered into a developer agreement with Regius Rubber, LLC. Under the agreement, the district gave the developer \$162,000 in 2012 in exchange for building the new facility noted above.

Per Note 5, TIF District No. 3 has entered into a developer agreement with HIEP, LLC. Under the agreement, the district gave the developer both a cash and land contribution in 2017 in exchange for building the new facility noted above. Developer payments for the year ended December 31, 2017 related to this agreement were \$676,400 in cash and \$262,487 in land contribution. No developer payments were made in either 2018 or 2019.

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

COMPILED
DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS
From the Date of Creation Through December 31, 2019

	2012	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
SOURCES OF FUNDS										
Tax increments	\$ -	\$ -	\$ 5,416	\$ 43,391	\$ 26,841	\$ 23,680	\$ 31,104	\$ 18,973	\$ 149,405	\$ 3,157,659
Exempt computer aid	-	-	-	915	590	308	312	320	2,445	-
Intergovernmental grants	-	-	-	-	-	-	-	62,282	62,282	-
Developer guarantees	-	-	-	-	-	-	-	20,000	20,000	-
Investment income	-	-	-	-	-	-	-	-	-	5,049
Long-term debt issued	-	-	-	-	-	1,038,283	-	919,615	1,957,898	2,165,000
Total Sources of Funds	-	-	5,416	44,306	27,431	1,062,271	31,416	1,021,190	2,192,030	5,327,708
USES OF FUNDS										
Capital expenditures	5,241	-	-	41,000	285	21,555	479,941	22,919	570,941	1,575,000
Professional services - planning, engineering, other	17,581	4,034	10,586	1,731	7,271	42,216	67,985	7,080	158,484	104,500
Developer incentives	162,000	-	-	-	-	938,887	-	-	1,100,887	462,000
Interest and fiscal charges	-	-	-	-	-	-	-	61,890	61,890	984,088
Interest on advances	-	1,889	1,959	1,963	1,784	1,802	1,620	-	11,017	-
Principal on long-term debt	-	-	-	-	-	-	-	1,038,283	1,038,283	2,165,000
Total Uses of Funds	184,822	5,923	12,545	44,694	9,340	1,004,460	549,546	1,130,172	2,941,502	3,125,588
FUND BALANCE (DEFICIT) – DECEMBER 31, 2019									\$ (749,472)	

See accountants' compilation report.

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

COMPILED
DETAILED SCHEDULE OF CAPITAL, DEVELOPER INCENTIVE AND
PROFESSIONAL SERVICE EXPENDITURES
From the Date of Creation Through December 31, 2019

	<u>Actual</u>	<u>Project Plan Estimate</u>
Lot 8 & 9 - Eastside Business Park - Cash Grant	\$ 162,000	\$ 162,000
Lot 8 & 9 - Eastside Business Park - Municipal Fees/Charges	5,526	5,000
Environmental Remediation - 333 Portland Rd & Adjacent	-	20,000
Business Expansion & Job Creation - Loans & Cash Grants	938,887	200,000
Engineering - Portland Road & Adjacent	11,668	40,000
Street & Utilities - 333 Portland Road & Adjacent	524,415	750,000
Loans & Cash Grants 333 Portland Road & Adjacent	-	100,000
Engineering - Waldo Parcel	-	50,000
Street & Utilities - Waldo Parcel	-	800,000
Loan Forgiveness	41,000	-
Professional services - planning, engineering, other	<u>146,816</u>	<u>14,500</u>
 TOTAL CAPITAL, DEVELOPER INCENTIVE AND PROFESSIONAL SERVICE EXPENDITURES	 <u>\$ 1,830,312</u>	 <u>\$ 2,141,500</u>

See accountants' compilation report.

District: **TIF 4**

Start Year: **1-Jan-14** Last Year Proj Costs **5-Dec-28** Last Year Increment **2034**

	Year	Income Fund Source	Expenses Use of Funds	Over/(Under) Revenue	Over/(Under) TIF Life
ACTUAL	2013	\$ -	\$ 12,500	\$ (12,500)	\$ (12,500)
	2014	\$ -	\$ 3,000	\$ (3,000)	\$ (15,500)
	2015	\$ -	\$ 650	\$ (650)	\$ (16,150)
	2016	\$ -	\$ 650	\$ (650)	\$ (16,800)
	2017	\$ 16,146	\$ 774	\$ 15,372	\$ (1,428)
	2018	\$ 22,240	\$ 638	\$ 21,602	\$ 20,174
	2019	\$ 21,491	\$ 249	\$ 21,242	\$ 41,416
PROJECTED	2020	\$ 22,236	\$ 650	\$ 21,586	\$ 63,002
	2021	\$ 22,236	\$ 650	\$ 21,586	\$ 84,588
	2022	\$ 22,236	\$ 650	\$ 21,586	\$ 106,174
	2023	\$ 22,236	\$ 650	\$ 21,586	\$ 127,760
	2024	\$ 22,236	\$ 650	\$ 21,586	\$ 149,346
	2025	\$ 22,236	\$ 650	\$ 21,586	\$ 170,932
	2026	\$ 22,236	\$ 650	\$ 21,586	\$ 192,518
	2027	\$ 22,236	\$ 650	\$ 21,586	\$ 214,104
	2028	\$ 22,236	\$ 650	\$ 21,586	\$ 235,690
	2029	\$ 22,236	\$ 650	\$ 21,586	\$ 257,276
	2030	\$ 22,236	\$ 650	\$ 21,586	\$ 278,862
	2031	\$ 22,236	\$ 650	\$ 21,586	\$ 300,448
	2032	\$ 22,236	\$ 650	\$ 21,586	\$ 322,034
	2033	\$ 22,236	\$ 650	\$ 21,586	\$ 343,620
	2034	\$ 22,236	\$ 650	\$ 21,586	\$ 365,206

Parcels in TIF 4: Dollar General

TOTALS THRU 2019 \$ 104,349.00 \$ 19,761.00 \$ 41,416.00

PROJECT PLAN EST. \$ 1,063,433.00 \$ 1,031,850.00

OVER/(UNDER) PLAN \$ (959,084.00) \$ (1,012,089.00)

If district closed in 19. Dollars to Taxing Authority

City	MATC	School	Jefferson County
\$ 15,324	\$ 1,657	\$ 17,809	\$ 6,627

CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4
Waterloo, Wisconsin

COMPILED
FINANCIAL STATEMENTS

Including Accountants' Compilation Report

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

DRAFT

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

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

Accountants' Compilation Report	1
Tax Incremental District No. 4 – Balance Sheet	2
Tax Incremental District No. 4 – Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments	3
Tax Incremental District No. 4 – Historical Summary of Sources, Uses, and Status of Funds	4
Notes to Financial Statements	5 – 7
Supplementary Information	
Tax Incremental District No. 4 – Detailed Schedule of Sources, Uses, and Status of Funds	8
Tax Incremental District No. 4 – Detailed Schedule of Capital and Professional Services Expenditures	9

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

COMPILED
BALANCE SHEET
As of December 31, 2019

	<u>Capital Projects Fund</u>
ASSETS	
Cash and investments	\$ 41,416
Taxes receivable	<u>25,891</u>
TOTAL ASSETS	<u>\$ 67,307</u>
DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	
Deferred Inflows of Resources	
Unearned revenue	<u>\$ 25,891</u>
Fund Balance	
Restricted	<u>41,416</u>
TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	<u>\$ 67,307</u>

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

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

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	\$ -	\$ 225
Professional services - planning, engineering, other	249	18,236
Total Project Costs	<u>249</u>	<u>18,461</u>
PROJECT REVENUES		
Tax increments	21,170	59,095
Exempt computer aid	321	782
Total Project Revenues	<u>21,491</u>	<u>59,877</u>
NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2019	<u>\$ (21,242)</u>	<u>\$ (41,416)</u>

**CITY OF WATERLOO
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

	<u>Year Ended</u>	<u>From Date of Creation</u>
SOURCES OF FUNDS		
Tax increments	\$ 21,170	\$ 59,095
Exempt computer aid	<u>321</u>	<u>782</u>
Total Sources of Funds	<u>21,491</u>	<u>59,877</u>
USES OF FUNDS		
Capital expenditures	-	225
Professional services - planning, engineering, other	<u>249</u>	<u>18,236</u>
Total Uses of Funds	<u>249</u>	<u>18,461</u>
Excess of sources of funds over uses of funds	21,242	41,416
BEGINNING FUND BALANCE	<u>20,174</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 41,416</u>	<u>\$ 41,416</u>

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

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of Waterloo's Tax Incremental District No. 4 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Waterloo has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 4. The accompanying financial statements reflect all the significant operations of the City of Waterloo's Tax Incremental District No. 4. The accompanying financial statements do not include the full presentation of the City of Waterloo.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the City of Waterloo's Tax Incremental District No. 4. The summary statements were prepared from data recorded in the following fund and the city's long-term debt:

Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the City of Waterloo'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 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 improvement 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 district to collect tax increments until the net project cost has been fully recovered, or until 20 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City of Waterloo. Project costs may be incurred up to five years before the unextended termination date of the district.

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	January 1, 2014	December 5, 2028	2034

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

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

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 district is entitled to the aids.

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.

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 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.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

COMPILED
NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2019 and
From the Date of Creation Through December 31, 2019

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

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 an 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 district invests its 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. 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 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 Waterloo as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

NOTE 3 – DEVELOPER PAYMENTS

None.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

COMPILED
DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS
From the Date of Creation Through December 31, 2019

	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
SOURCES OF FUNDS									
Tax increments	\$ -	\$ -	\$ -	\$ -	\$ 15,917	\$ 22,008	\$ 21,170	\$ 59,095	\$ 631,728
Exempt computer aid	-	-	-	-	229	232	321	782	-
Investment income	-	-	-	-	-	-	-	-	1,705
Long-term debt issued	-	-	-	-	-	-	-	-	430,000
Total Sources of Funds	-	-	-	-	16,146	22,240	21,491	59,877	1,063,433
USES OF FUNDS									
Capital expenditures	-	-	-	-	-	-	-	-	373,000
Professional services - planning, engineering, other	12,500	3,000	650	650	774	638	249	18,461	40,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	188,850
Principal on long-term debt	-	-	-	-	-	-	-	-	430,000
Total Uses of Funds	12,500	3,000	650	650	774	638	249	18,461	1,031,850
FUND BALANCE – DECEMBER 31, 2019								\$ 41,416	

See accountants' compilation report.

**CITY OF WATERLOO
TAX INCREMENTAL DISTRICT NO. 4**

COMPILED
DETAILED SCHEDULE OF CAPITAL AND
PROFESSIONAL SERVICE EXPENDITURES
From the Date of Creation Through December 31, 2019

	Actual	Project Plan Estimate
<u>Original Project Plan</u>		
Development incentives	\$ -	\$ 5,000
Revolving loan	-	290,000
Buy Local campaign	-	12,000
Signage and wayfindings	-	1,000
Professional services	18,461	40,000
Utility improvements	-	65,000
	-	-
TOTAL CAPITAL AND PROFESSIONAL SERVICES EXPENDITURES	\$ 18,461	\$ 413,000

See accountants' compilation report.