

136 N. MONROE STREET, WATERLOO, WI 53594  
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**CITY OF WATERLOO COUNCIL AGENDA  
COUNCIL CHAMBER OF THE MUNICIPAL BUILDING – 136 N. MONROE STREET  
Thursday, May 2, 2013  
7:00 p.m.**

1. CALL TO ORDER AND ROLL CALL
2. APPROVAL OF PREVIOUSLY UNAPPROVED MEETING MINUTES
3. CITIZEN INPUT
4. COMMUNICATIONS TO THE COUNCIL
  - a. Notice Of Hearing: Application Of Waterloo Water & Light Commission For Authority To Increase Water Rates, Thursday, June 6, 2013 – 10:00 a.m.
  - b. Notice Of Open Book (May 17, 2013) And Board of Review (June 10, 2013)
  - c. Compiled Financial Statements Tax Incremental Districts 1, 2, & 3
  - d. Published Notice – Application For Class “B” Beer and Liquor License, James P. Kennedy, Agent, For JP Kennedy & Associates, LLC (Portland Pub) - 1212 Main Street, For The Period Ending June 30, 2013
5. COMMITTEES, COMMISSIONS & BOARDS – RECOMMENDATIONS AND REPORTS
  - a. Community Development Authority: Resolution #2013-13 Accepting The Transfer Of Title To Property At 120 West Madison Street (Previously Res. #2012-24)
6. NEW BUSINESS
  - a. Treasurer’s Report & Budget Reports - Final December, 2012, January, February and March 2013
  - b. Scheduling Council Meetings: May – September, Meeting Once A Month
  - c. 213 North Monroe Street - Option To Purchase, Movin’ Out Inc.  
[The Council may convene to closed session. The statutory exception for the closed session is Wis. Statute 19.85(1)(e) “Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons requires a closed session.” Upon conclusion of the closed session the Council will reconvene in open session.]
  - d. 565 West Madison Street – Option To Purchase, Lang Group LLC  
[The Council may convene to closed session. The statutory exception for the closed session is Wis. Statute 19.85(1)(e) “Deliberating or negotiating the purchasing of public properties, the investing of public funds, or conducting other specified public business whenever competitive or bargaining reasons requires a closed session.” Upon conclusion of the closed session the Council will reconvene in open session.]
7. FUTURE AGENDA ITEMS AND ANNOUNCEMENTS
  - a. Review of 2012 Audit

8. ADJOURNMENT

Morton Hansen  
Clerk/Treasurer

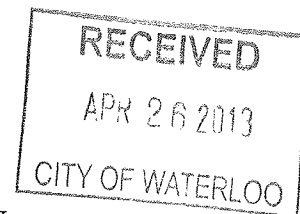
Posted and Emailed: April 29, 2013

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.

**Minutes of Municipal Committees, Commissions and Boards Attached**

-Plan Commission – April 23, 2013

**SERVICE DATE**  
**Apr 25, 2013**



**PUBLIC SERVICE COMMISSION OF WISCONSIN**

Application of Waterloo Water and Light Commission, Jefferson  
County, Wisconsin, for Authority to Increase Water Rates

6220-WR-108

**NOTICE OF HEARING**

<b>Hearing Date:</b>	<b><u>Thursday, June 6, 2013 - 10:00 a.m.</u></b>
<b>Hearing Location:</b>	<b>Amnicon Falls Hearing Room – 1st Floor Public Service Commission 610 North Whitney Way, Madison, Wisconsin</b>
	<b>Board Room, Waterloo Utilities Building 575 Commercial Avenue, Waterloo, Wisconsin</b>

**NOTICE IS GIVEN** that the Public Service Commission of Wisconsin will hold a public hearing in this proceeding on Thursday, June 6, 2013, at 10:00 a.m., in the Amnicon Falls Hearing Room at the Public Service Commission Building, 610 North Whitney Way, Madison, Wisconsin, and by **telephone** in the Board Room at the Waterloo Utilities Building, 575 Commercial Avenue, Waterloo, Wisconsin. The Commission shall receive evidence from the parties, Commission staff, and comments from members of the public. The presiding Administrative Law Judge may allot additional time to receive evidence and comments, if necessary.

This is a Class 1 proceeding as defined in Wis. Stat. § 227.01(3)(a).

The Commission intends to webcast any hearing sessions held in the Amnicon Falls Hearing Room live on the Commission's web site at <http://psc.wi.gov> under the "PSC Live Broadcast" button.

**DOCUMENTS.** All documents in this docket are filed on the Commission's Electronic Regulatory Filing (ERF) system. To view these documents: (1) go to the Commission's web site at <http://psc.wi.gov>, (2) enter "6220-WR-108" in the box labeled "Link Directly to a Case," and (3) select "GO."

**PUBLIC COMMENTS.** A person may testify in this proceeding without becoming a party and without attorney representation. A person may submit this testimony in only one of the following ways:

Docket 6220-WR-108

- **Web Comment.** Go to the Commission's web site at <http://psc.wi.gov>, click on the "Public Comments" button on the side menu bar. On the next page select the "File a comment" link that appears for docket number 6220-WR-108. Web comments shall be received no later than Wednesday, June 5, 2013.
- **Oral Comment.** Spoken testimony at the public session.
- **Written Comment.** Instead of speaking at the hearing, write out a comment and submit it at the public session.
- **Mail Comment.** All comments submitted by U.S. Mail shall be received no later than Wednesday, June 5, 2013, and shall be addressed to:  
Docket 6220-WR-108 Comments, Public Service Commission, P.O. Box 7854,  
Madison, WI 53707-7854.

The Commission will not accept comments submitted via e-mail or facsimile (fax).

A person shall limit a public comment to non-technical personal knowledge or personal opinion. A person may include references to other materials in a comment, but may not include as part of a comment, any document not written or substantially modified by that person. The Commission shall only accept documents that a person offers to supplement a comment for the purpose of showing the basis of an opinion, not for proof of the matter asserted. Parties may object to the receipt of a public comment.

Any material submitted to the Commission is a public record and may appear on the Commission web site. Only one comment may be submitted per person during a comment period. The Commission may reject a comment that does not comply with the requirements described in this notice.

**AMERICANS WITH DISABILITIES ACT.** The Commission does not discriminate on the basis of disability in the provision of programs, services, or employment. Any person with a disability who needs accommodations to participate in this docket or who needs to obtain this document in a different format should contact the docket coordinator listed below. Any hearing location is accessible to people in wheelchairs. The Public Service Commission Building is accessible to people in wheelchairs through the Whitney Way first floor (lobby) entrance. Parking for people with disabilities is available on the south side of the building.

**CONTACT.** Please direct questions about this docket or requests for additional accommodations for the disabled to the Commission's docket coordinator, David Prochaska, at (608) 266-5739 or [David.Prochaska@wisconsin.gov](mailto:David.Prochaska@wisconsin.gov).



Michael E. Newmark  
Administrative Law Judge  
MEN:DL:00721223 6220-WR-108 NOTH



136 NORTH MONROE STREET, WATERLOO, WISCONSIN 53594-1198  
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## CITY OF WATERLOO

### NOTICE OF OPEN BOOK, MAY 17, 2013 AND BOARD OF REVIEW, JUNE 10, 2013

NOTICE IS HEREBY GIVEN that the 2013 Assessment Roll of the City of Waterloo will be open for examination at the office of the City Clerk on Friday, May 17, 2013 from 11:00 a.m. to 1:00 p.m. at the City Clerk/Treasurer's office.

All property owners whose real estate assessment was changed will receive a written notice of their new and former assessments.

NOTICE IS ALSO FURTHER GIVEN that the annual Board of Review for the City of Waterloo will meet in the Council Chamber of the Municipal Building, 136 N. Monroe Street, on Monday, June 10, 2013 from 2:00 p.m. to 4:00 p.m. The Board will meet to elect a Chairperson and Vice-chairperson, to review the members of the Board that have met the mandatory training requirements specified in Sec. 70.46(4) of the Wisconsin State Statutes and to hear testimony.

Before appearing before the Board of Review, the property owner must file an objection form in writing with the City Clerk. These forms are available at the office of the City Clerk.

- No person shall be allowed to appear before the board of review, to testify to the board by telephone or to contest the amount of any assessment of real or personal property if the person has refused a reasonable written request by certified mail of the assessor to view such property.
- After the first meeting of the board of review and before the board's final adjournment, no person who is scheduled to appear before the board of review may contact, or provide information to, a member of the board about that person's objection except at a session of the board.
- No person may appear before the board of review, testify to the board by telephone or contest the amount of any assessment unless, at least 48 hours before the first meeting of the board or at least 48 hours before the objection is heard if the objection is allowed under sub. (3)(a), that

person provides to the clerk of the board of review notice as to whether the person will ask for removal under sub. (6m) and if so which member will be removed and the person's reasonable estimate of the length of time that the hearing will take.

- When appearing before the board, the person shall specify, in writing, the person's estimate of the value of the land and of the improvements that are the subject of the person's objection and specify the information that the person used to arrive at that estimate.
- No person may appear before the board of review, testify to the board by telephone or object to a valuation; if that valuation was made by the assessor or the objector using the income method; unless the person supplies to the assessor all of the information about income and expenses, as specified in the manual under sec. 73.03 (2a), Wis. Stats., that the assessor requests. The municipality or county shall provide by ordinance for the confidentiality of information about income and expenses that is provided to the assessor under this paragraph and shall provide exceptions for persons using the information in the discharge of duties imposed by law or of the duties of their office or by order of a court. The information that is provided under this paragraph, unless a court determines that it is inaccurate, is not subject to the right of inspection and copying under sec. 19.35(1), Wis. Stats.



Morton J. Hansen  
City Clerk/Treasurer

Posted: April 26, 2013  
Municipal Building  
Farmers and Merchants State Bank  
Karl Junginger Memorial Library  
Waterloo Utilities

Publish: The Courier: May 2, 2013

**CITY OF WATERLOO**  
**TAX INCREMENTAL DISTRICT NO. 1**  
Waterloo, Wisconsin

COMPILED  
FINANCIAL STATEMENTS

From the Date of Creation Through December 31, 2012

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

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From the Date of Creation Through December 31, 2012

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ACCOUNTANTS' COMPILATION REPORT

To the City Council  
City of Waterloo  
Waterloo, Wisconsin

We have compiled the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the City of Waterloo's Tax Incremental District No. 1 ("district") as of and for the year ended December 31, 2012 and from the date of creation through December 31, 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As discussed in Note 1, the financial statements present only the transactions of the district and do not purport to, and do not, present fairly the financial position of the City of Waterloo as of December 31, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis that is required to be presented for purposes of additional analysis. Such missing information, although not a required part of the financial statements, is required by accounting principles generally accepted in the United States of America and is considered to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
February 19, 2013

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
BALANCE SHEET  
As of December 31, 2012

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	Capital Projects Fund
<b>ASSETS</b>	
Cash and investments	\$ 738,850
Taxes receivable	148,847
Advance to city funds	<u>327,168</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,214,865</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Deferred revenue	\$ 148,847
Total Liabilities	<u>148,847</u>
Fund Balances	
Restricted for TIF purposes	<u>1,066,018</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,214,865</u>

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

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
For the Year Ended December 31, 2012  
and From the Date of Creation Through December 31, 2012

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>PROJECT COSTS</b>		
Capital expenditures	\$ 25,060	\$ 1,081,862
Administration	11,184	66,790
Debt issuance costs	-	22,176
Interest and fiscal charges	<u>25,430</u>	<u>138,346</u>
Total Project Costs	<u>61,674</u>	<u>1,309,174</u>
<b>PROJECT REVENUES</b>		
Tax increments	147,570	668,090
Intergovernmental	<u>183,497</u>	<u>1,127,102</u>
Total Project Revenues	<u>331,067</u>	<u>1,795,192</u>
 <b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2012</b>		
	<u>\$ (269,393)</u>	<u>\$ (486,018)</u>
 <b>RECONCILIATION OF RECOVERABLE COSTS</b>		
G.O. debt		\$ 580,000
Less: TIF No. 1 fund balance		<u>(1,066,018)</u>
 <b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 2012</b>		
		<u>\$ (486,018)</u>

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

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
For the Year Ended December 31, 2012  
and From the Date of Creation Through December 31, 2012

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>SOURCES OF FUNDS</b>		
Tax increments	\$ 147,570	\$ 668,090
Intergovernmental	183,497	1,127,102
Long-term debt issued	<u>-</u>	<u>760,000</u>
<b>Total Sources of Funds</b>	<u>331,067</u>	<u>2,555,192</u>
<b>USES OF FUNDS</b>		
Capital expenditures	25,060	1,081,862
Administration	11,184	66,790
Debt issuance costs	-	22,176
Principal on long-term debt	45,000	180,000
Interest and fiscal charges	<u>25,430</u>	<u>138,346</u>
<b>Total Uses of Funds</b>	<u>106,674</u>	<u>1,489,174</u>
 <b>Excess of sources of funds over uses of funds</b>	 224,393	 1,066,018
 <b>BEGINNING FUND BALANCE</b>	 <u>841,625</u>	 <u>-</u>
 <b>ENDING FUND BALANCE</b>	 <u>\$ 1,066,018</u>	 <u>\$ 1,066,018</u>

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

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2012

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of Waterloo's Tax Incremental District No. 1 (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. 1. The accompanying financial statements reflect all the significant operations of the City of Waterloo's Tax Incremental District No. 1. 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. 1. 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 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 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.

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2012

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

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

**Original Project Plan**

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 1	January 1, 2005	September 15, 2020	2026

**1<sup>st</sup> Plan Amendment**

	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
TID No. 1	September 20, 2007	September 15, 2020

**2<sup>nd</sup> Plan Amendment**

	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
TID No. 1	July 21, 2011	September 15, 2020

**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.

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2012

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

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***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 deferred 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.

***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. There were no significant claims or judgments at year end.

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**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

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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. 1**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2012

**NOTE 3 – LONG-TERM 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 districts' expenditures will be retired by tax increments accumulated by the TIF District fund. If those revenues are not sufficient, payments will be made by future tax levies.

	Original Amount Borrowed	Repaid	Balance 12-31-12
2007 Community Development bonds dated September 26, 2007 with an interest rate of 3.75 – 4.2%. Total amount borrowed was \$760,000, of which 100% was for TIF No. 1. Final maturity is September 1, 2022.	\$ 760,000	\$ 180,000	\$ 580,000
Totals	\$ 760,000	\$ 180,000	\$ 580,000

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

Calendar Year	Principal	Interest	Totals
2013	\$ 45,000	\$ 23,675	\$ 68,675
2014	50,000	21,920	71,920
2015	55,000	19,970	74,970
2016	55,000	17,770	72,770
2017	60,000	15,570	75,570
2018-2022	315,000	40,140	355,140
Totals	\$ 580,000	\$ 139,045	\$ 719,045

**NOTE 4 – ADVANCES TO CITY FUNDS**

TIF District No. 1 is advancing funds to the capital projects fund, TIF District No. 2, and TIF District No. 3 to cover additional expenditures incurred by the funds. No repayment schedules have been determined for the advances.



**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
NOTES TO FINANCIAL STATEMENTS  
From the Date of Creation Through December 31, 2012

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**NOTE 5 – INCREMENT SHARING**

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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 are 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.



**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS  
From the Date of Creation Through December 31, 2012

	2005	2006	2007	2008 (Restated)	2009	2010	2011	2012	Totals	Project Plan Estimate
<b>SOURCES OF FUNDS</b>										
Tax increments	\$ -	\$ -	\$ 79,352	\$ 85,678	\$ 75,927	\$ 138,482	\$ 141,081	\$ 147,570	\$ 668,090	\$ 2,917,793
Intergovernmental	-	-	203,219	311,819	140,582	138,745	149,240	183,497	1,127,102	999,616
Interest income	-	-	-	-	-	-	-	-	-	633,319
Long-term debt issued	-	-	760,000	-	-	-	-	-	760,000	1,265,000
Total Sources of Funds	-	-	1,042,571	397,497	216,509	277,227	290,321	331,067	2,555,192	5,815,728
<b>USES OF FUNDS</b>										
Capital expenditures	14,332	-	683,921	202,823	7,133	100,000	48,593	25,060	1,081,862	3,213,500
Administration	-	524	16,892	6,617	1,765	1,650	28,158	11,184	66,790	29,900
Subsidy to TIF No. 2	-	-	-	-	-	-	-	-	-	1,520,000
Debt issuance costs	-	-	21,826	350	-	-	-	-	22,176	-
Principal on long-term debt	-	-	-	30,000	30,000	35,000	40,000	45,000	180,000	1,265,000
Interest and fiscal charges	-	-	-	28,375	29,368	28,243	26,930	25,430	138,346	438,966
Total Uses of Funds	14,332	524	722,639	268,165	68,266	164,893	143,681	106,674	1,489,174	6,467,366
FUND BALANCE – DECEMBER 31, 2012									\$ 1,066,018	

See accountants' compilation report.

**CITY OF WATERLOO  
TAX INCREMENTAL DISTRICT NO. 1**

COMPILED  
DETAILED SCHEDULE OF CAPITAL EXPENDITURES  
From the Date of Creation Through December 31, 2012

<b>Projects Included in Original Project Plan</b>	<u>Actual</u>	<u>Project Plan Estimate</u>
Knowlton Street improvements	\$ 611,095	\$ 241,000
Right of way and easement acquisition	3,501	60,000
STH 19 intersection and turning lanes	-	196,000
Area stormwater management	31,000	137,000
Sanitary sewer extension	7,133	52,000
Watermain loop	-	156,000
Relocation of existing utilities	19,806	100,000
Landscaping	-	50,000
Trek property acquisition	-	150,000
Demolition and site preparation	-	100,000
Engineering and contract administration	73,653	104,000
Municipal administrative	-	15,000
TID creation	<u>14,332</u>	<u>15,000</u>
Subtotal	<u>760,520</u>	<u>1,376,000</u>
 <b>Additional Projects Identified in Project Plan Amendments</b>		
Briss Property		
TID amendment costs and legal fees	5,005	15,000
Extension of sewer service	142,444	120,000
Improvements to water service	53,700	50,000
Development incentives	-	20,000
Engineering and contract administration	20,193	15,000
Van Holten Property		
Acquisition, demolition, and site preparation	-	100,000
Area stormwater management	-	15,000
Relocation of existing utilities	-	20,000
Development incentives	-	20,000
Engineering and contract administration	-	20,000
Other project costs - CDA contribution	100,000	100,000
Asphalt surfacing for public parking	-	25,000
Economic development services and administration	<u>-</u>	<u>1,317,500</u>
Subtotal	<u>321,342</u>	<u>1,837,500</u>
 <b>TOTAL CAPITAL EXPENDITURES</b>	 <u>\$ 1,081,862</u>	 <u>\$ 3,213,500</u>

See accountants' compilation report.

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

COMPILED  
FINANCIAL STATEMENTS

From the Date of Creation Through December 31, 2012

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

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From the Date of Creation Through December 31, 2012

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ACCOUNTANTS' COMPILATION REPORT

To the City Council  
City of Waterloo  
Waterloo, Wisconsin

We have compiled the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the City of Waterloo's Tax Incremental District No. 2 ("district") as of and for the year ended December 31, 2012 and from the date of creation through December 31, 2012. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or provide any assurance about whether the financial statements are in accordance with accounting principles generally accepted in the United States of America.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the compilation in accordance with *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants. The objective of a compilation is to assist management in presenting financial information in the form of financial statements without undertaking to obtain or provide any assurance that there are no material modifications that should be made to the financial statements.

As discussed in Note 1, the financial statements present only the transactions of the district and do not purport to, and do not, present fairly the financial position of the City of Waterloo as of December 31, 2012, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. The supplementary information has been compiled from information that is the representation of management. We have not audited or reviewed the supplementary information and, accordingly, do not express an opinion or provide any assurance on such supplementary information.

Management has omitted the management's discussion and analysis that is required to be presented for purposes of additional analysis. Such missing information, although not a required part of the financial statements, is required by accounting principles generally accepted in the United States of America and is considered to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical, or historical context.

*Baker Tilly Virchow Krause, LLP*

Madison, Wisconsin  
February 19, 2013

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

COMPILED  
BALANCE SHEET  
As of December 31, 2012

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	Capital Projects Fund
<b>ASSETS</b>	
Taxes receivable	\$ <u>1,976</u>
<b>TOTAL ASSETS</b>	<u>\$ 1,976</u>
<b>LIABILITIES AND FUND BALANCES</b>	
Liabilities	
Accounts payable	\$ 3,750
Deferred revenue	1,976
Advances from city funds	<u>101,346</u>
Total Liabilities	<u>107,072</u>
Fund Balances	
Unassigned (deficit)	<u>(105,096)</u>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 1,976</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, 2012  
and From the Date of Creation Through December 31, 2012

	Year Ended	From Date of Creation
<b>PROJECT COSTS</b>		
Capital expenditures	\$ 77,813	\$ 99,304
Administration	6,173	7,792
Total Project Costs	83,986	107,096
<b>PROJECT REVENUES</b>		
Miscellaneous revenues	1,000	2,000
Total Project Revenues	1,000	2,000
 <b>NET COSTS RECOVERABLE THROUGH TAX INCREMENTS – DECEMBER 31, 2012</b>		
	\$ 82,986	\$ 105,096

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, 2012  
and From the Date of Creation Through December 31, 2012

	<u>Year Ended</u>	<u>From Date of Creation</u>
<b>SOURCES OF FUNDS</b>		
Miscellaneous revenues	\$ 1,000	2,000
Total Sources of Funds	<u>1,000</u>	<u>2,000</u>
<b>USES OF FUNDS</b>		
Capital expenditures	77,813	99,304
Administration	6,173	7,792
Total Uses of Funds	<u>83,986</u>	<u>107,096</u>
<b>Excess of sources of funds over uses of funds</b>	(82,986)	(105,096)
BEGINNING FUND BALANCE (DEFICIT)	<u>(22,110)</u>	<u>-</u>
<b>ENDING FUND BALANCE (DEFICIT)</b>	<u>\$ (105,096)</u>	<u>\$ (105,096)</u>

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