VILLAGE OF MCFARLAND

NOTICE OF PUBLIC MEETING

Joint Review Board

Thursday, June 18, 2020 **4:00 PM** **McFarland Municipal Center**
Community Room

AGENDA

You are invited to this meeting through a Zoom webinar. The Public is strongly encouraged to watch and participate in these meetings remotely through either the webinar or telephone options listed below.

PLEASE CLICK THE LINK BELOW TO JOIN THE ZOOM WEBINAR:
https://us02web.zoom.us/j/86181972730

Or by Telephone:
+1 (312) 626-6799

Webinar ID: 861 8197 2730

1. CALL TO ORDER.
2. ATTENDANCE/ROLL CALL.
3. PUBLIC APPEARANCES.
4. BUSINESS.
   a. Discussion and action regarding minutes of the meeting held June 25, 2019
   b. Discussion and action to accept the 2019 Annual Report for Tax Increment District #3
   c. Discussion and action to accept the 2019 Annual Report for Tax Increment District #4.
   d. Discussion and action to accept the 2019 Annual Report for Tax Increment District #5.
5. ADJOURNMENT.

This meeting notice constitutes an official meeting of the above referenced group and was posted in accordance with all applicable laws related to Open Meetings Law. 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 stated meeting to gather information. No action will be taken by any governmental body at the above stated meeting other than the governmental body specifically referred to above in this notice. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals. For additional information or to request this service, contact the McFarland Municipal Center at (608) 838-3153 or cassandra.suettinger@mcfarland.wi.us

VILLAGE OF MCFARLAND

Joint Review Board Minutes

Tuesday, June 25, 2019 - 3:00 PM

1. **CALL TO ORDER.**
   The meeting was called to order at 3:05 pm in the Community Room of the McFarland Municipal Center.
2. **ATTENDANCE/ROLL CALL.**
   Members present: Brad Czebotar (Village President), Erik Thoresen (Village Resident), Jeff Mahoney (McFarland School District), and Adam Gallagher (County Treasurer, arrived at 3:10 pm).

   Members not present: Tim Casper (Madison College).

   Staff Present: Village Administrator Matt Schuenke.

3. **PUBLIC APPEARANCES.**
   None.
4. **BUSINESS.**

   a. *Discussion and action regarding minutes of the meeting held June 21, 2018.*
   A motion was made by Czebotar, seconded by Mahoney, and unanimously carried by the Joint Review Board to approve the minutes of the meeting held June 21, 2018.

   b. *Discussion and action to accept the 2018 Annual Report for Tax Increment District #3.*
   Following discussion, a motion was made by Mahoney, seconded by Gallagher, and unanimously carried by the Joint Review Board to accept the 2018 Annual Report for Tax Increment District #3.

   c. *Discussion and action to accept the 2018 Annual Report for Tax Increment District #4.*
   Following discussion, a motion was made by Mahoney, seconded by Gallagher, and unanimously carried by the Joint Review Board to accept the 2018 Annual Report for Tax Increment District #4.

   d. *Discussion regarding the 2018 Annual Report for Tax Increment District #5.*
   Following discussion, a motion was made by Mahoney, seconded by Gallagher, and unanimously carried by the Joint Review Board to accept the 2018 Annual Report for Tax Increment District #5.

e. *Discussion and presentation regarding the conceptual plan to create TID #6 as an overlay district.*

A presentation was provided regarding a conceptual plan to create Tax Increment District #6 as an overlay district generally over Tax Increment District #3. TID #3 is set to expire within a decade and there are still some outstanding projects from the original plan in process as well as public improvements being considered. The overlay would provide more time to complete these and flexibility in achieving the original objectives of the project plan. The item was presented for discussion and no action was taken.

5. ADJOURNMENT.

A motion was made by Mahoney, seconded by Gallagher, and unanimously carried by the Joint Review Board to adjourn the meeting at 3:42 pm.

Pursuant to law, written notice of this meeting was given to the public and posted on the public bulletin boards in accordance with Open Meetings Law.

Respectfully submitted,
Matthew G. Schuenke
Village Administrator

www.mcfarland.wi.us | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3153

Memorandum

To: Joint Review Board

From: Matthew G. Schuenke, Village Administrator

Cc: Dane County
Madison Area Technical College
School District of McFarland
Andrew Bremer, Community and Economic Development Director

Date: June 16, 2020

Re: 2019 Annual Report – *Tax Incremental District #3*

Executive Summary

ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose to review an annual report with the other overlying taxing jurisdictions. Several financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since at least 2006. This cover memorandum is provided as a summary of the year in review and an introduction to the financial statements prepared for the year.

Annual Review

TID #3 was created as a post 1995 Industrial TID on August 9, 2004. It is scheduled to expire on August 9, 2027 and not presently forecasted for closure prior to this date. TID #3 has done very well with a positive fund balance of $1,681,082 at the end of 2019. It has also served as a donor to TID #4 as authorized by the JRB on July 14, 2015. A subsidy was provided to TID #4 in 2019 of $79,213 which offset general operations for the year. This is a reduction of approximately $165,000 from the previous year. There remains an outstanding obligation from TID #4 to #3 for the repayment of the economic development incentive for Farwell Place Apartments with TID #4 making payments back to TID #3 for this purpose.

TID #3 did experience a surplus in 2019. One new Development project was approved in 2019; however, payments to said project did not start until 2020 and there were no significant public improvements within the district for the year resulting in the surplus. The use of fund balance in 2020 is likely (which would suggest a deficit) as approved projects come on line for reimbursement and for a land purchase the district made.

There was some activity in the district in 2019. The first phase of 4703 Terminal Drive was approved in 2019 and began its occupancy in June of 2020. The full value for this first phase will be achieved as of January 1, 2021. It is likely the Village will be considering the next phase of this project at this property which would entail a multi-story office building. There are two additional phases for this project that will likely come forward in future years as well. Also in 2020 we may be considering the third and final phase of Waubesa Village which has seen a mixed use facility within Phase 1 and then apartments only in Phase 2. The third phase of this project would be the same size and type of building as the second phase. The Village upon recommendation of the CDA also purchased 4313 Triangle Street as an attempt to eliminate blight and assemble properties near Meinders Road as previous plans had called for. Staff is working on evaluating this property for redevelopment in conjunction with adjoining properties.

The district still has about $8.85 million in unexpended funds authorized in its project plan that could be pursued in future years including public improvements, economic development, and marketing initiatives. Also included is draft form PE 300 which is submitted to the DOR to convey the data from the financial statements.

Exhibits

Exhibit A – Compiled Financial Statements of TID #3 prepared by Baker Tilly

Exhibit B – Draft Form PE 300

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 3

McFarland, 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

VILLAGE OF MCFARLAND
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

To the Village Board
Village of McFarland
McFarland, Wisconsin

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the Village of McFarland's 's Tax Incremental District No. 3 ("district") as of and for the year ended December 31, 2019 and from the date of creation through December 31, 2019, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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 Village of McFarland as of December 31, 2019, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

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

Madison, Wisconsin
June 5, 2020

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 3

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Cash and investments	$ 1,087,379
Taxes receivable	828,009
Accounts receivable	29,953
Advances to village funds	595,001
TOTAL ASSETS	$ 2,540,342
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Accounts payable	$ 1,298
Total Liabilities	1,298
Deferred Inflows of Resources	
Unearned revenue	857,962
Total Deferred Inflows of Resources	857,962
Fund Balance	
Restricted	1,681,082
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 2,540,342

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
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

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures	$ -	$ 2,477,747
Developer payments	9,200	3,304,870
Administration (in-house)	29,918	492,873
Professional services	11,539	203,041
Subsidy to TIF No. 4	79,213	1,168,341
Interest on advance	-	38,446
Interest and fiscal charges	66,406	2,137,667
Total Project Costs	196,276	9,822,985
PROJECT REVENUES		
Tax increments	871,381	9,505,098
Developer guarantees	-	504,201
Exempt computer aid	5,681	101,593
Licenses and permits	-	8,152
Investment income	30,949	83,237
Interest on advances	2,043	12,241
Rent	-	85,849
Miscellaneous	-	4,917
Debt premium	-	43,779
Total Project Revenues	910,054	10,349,067
NET COST RECOVERABLE (RECOVERED) THROUGH TIF INCREMENTS - DECEMBER 31, 2019	$ (713,778)	$ (526,082)

RECONCILIATION OF RECOVERABLE COSTS	
G.O. debt outstanding	$ 1,155,000
Less: Fund balance	(1,681,082)
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2019	$ (526,082)

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 871,381	$ 9,505,098
Developer guarantees	-	504,201
Exempt computer aid	5,681	101,593
Licenses and permits	-	8,152
Investment income	30,949	83,237
Interest on advances	2,043	12,241
Rent	-	85,849
Miscellaneous	-	4,917
Debt premium	-	43,779
Long-term debt issued	-	7,355,000
Total Sources of Funds	910,054	17,704,067
USES OF FUNDS		
Capital expenditures	-	2,477,747
Developer payments	9,200	3,304,870
Administration (in-house)	29,918	492,873
Professional services	11,539	203,041
Subsidy to TIF No. 4	79,213	1,168,341
Interest on advance	-	38,446
Interest and fiscal charges	66,406	2,137,667
Principal on long-term debt	260,000	6,200,000
Total Uses of Funds	456,276	16,022,985
Excess of sources of funds over uses of funds	453,778	1,681,082
FUND BALANCE - Beginning of Period	1,227,304	-
FUND BALANCE - DECEMBER 31, 2019	$ 1,681,082	$ 1,681,082

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
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 Village of McFarland'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 Village of McFarland 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 Village of McFarland's Tax Incremental District No. 3. The accompanying financial statements do not include the full presentation of the Village of McFarland.

A. Description of Fund Structure and Long-Term Debt

This report contains the financial information of the Village of McFarland's Tax Incremental District No. 3. The summary statements were prepared from data recorded in the following funds and the village's long-term debt:

General Fund
Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village of McFarland'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 23 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of McFarland. 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	08/09/04	08/09/22	2028

Plan Amendment	Adoption Date	Last Date to Incur Project Costs
TID No. 3	12/10/07	08/09/22

VILLAGE OF MCFARLAND
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.)

A. Description of Fund Structure and Long-Term Debt (cont.)

Plan Amendment	Adoption Date	Last Date to Incur Project Costs
TID No. 3	06/22/15	08/09/22

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 village 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 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.

VILLAGE OF MCFARLAND
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 Village of McFarland, maintains common cash and investment accounts at the same financial institutions utilized by the Village of McFarland. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village of McFarland as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the district.

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 Village of McFarland. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the TIF District No. 3 fund. If those revenues are not sufficient, payments will be made by future tax levies.

VILLAGE OF MCFARLAND
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 (cont.)

A. General Obligation Debt (cont.)

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12-31-19
2004 BANS	12/28/04	12/31/09	4.50%	$ 1,535,000	$ 1,535,000	$ -
2005 BANS	05/15/05	09/01/09	3.50%	1,420,000	1,420,000	-
2008 Taxable G.O. Promissory Notes	12/15/08	12/01/17	4.50-6.15%	2,635,000	2,635,000	-
2008 G.O. Refunding Bonds	12/15/08	12/01/23	4.50-4.75%	1,415,000	260,000	1,155,000
2008 State Trust Fund Loan	03/25/08	03/15/23	4.75%	140,000	140,000	-
2008 G.O. Promissory Notes	12/15/08	12/01/18	4.00-4.25%	210,000	210,000	-
				$ 7,355,000	$ 6,200,000	$ 1,155,000

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

	Principal	Interest	Total
2020	$ 270,000	$ 54,056	$ 324,056
2021	285,000	40,894	325,894
2022	295,000	27,000	322,000
2023	305,000	13,725	318,725
Totals	$ 1,155,000	$ 135,675	$ 1,290,675

NOTE 4 – ADVANCES TO VILLAGE FUNDS

In 2016, the TIF District No.3 advanced $500,000 to TIF District No. 4. The amount advanced was determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. Repayment for this advance began in 2018 with interest. TIF District No. 3 is charging TIF District No. 4 interest on the advance based on the average outstanding advance balance during the year at a floating interest rate. The outstanding portion of this advance was $403,603 as of December 31, 2019. In 2018, TIF No. 3 advanced an additional $43,763. TIF No. 3 also advanced $128,178 to TIF No. 5 in 2018. In 2019 the amount of the advance to TIF No. 5 increased to $147,635. No interest was charged on the additional advance to TIF No. 4 and the advance to TIF No. 5.

NOTE 4 – ADVANCES TO VILLAGE FUNDS (cont.)

Below is a table showing the cumulative results of the advance:

	Advance (including interest)	Cumulative
2007*	$ 14,650	$ 14,650
2008*	77,419	92,069
2009	145,224	237,293
2010	54,344	291,637
2011	46,231	337,868
2012	72,340	410,208
2013	69,909	480,117
2014	79,358	559,475
2015	94,684	654,159
2016	(154,159)	500,000
2017	-	500,000
Total	$ 500,000	

*In 2007 and 2008, the advance to TIF District No. 4 was from the General Fund.

The following is the advance repayment schedule.

Years	Principal	Interest
2020	$ 49,660	$ 1,820
2021	49,883	1,596
2022	50,108	1,371
2023-2027	253,952	3,446
Totals	$ 403,603	$ 8,233

NOTE 5 – GUARANTEED REVENUE

HIGH TRACK, LLC

During 2004, the Village of McFarland entered into a development agreement with High Track, LLC. The agreement guarantees that the developer will pay the difference between the guaranteed tax increment and the tax increment actually levied on an annual basis.

NOTE 5 – GUARANTEED REVENUE (cont.)

HIGH TRACK, LLC (cont.)

The developer agreed to construct the cold storage facility in TIF District No. 3 so that the fair market value on January 1, 2005 would generate a tax increment of $150,000. If the development generated less than $150,000, the developer would owe the village the difference. The payment would be made by the developer to the village. One-half of the payment was due on or before January 31, 2006 with the balance due on or before July 31, 2006. The actual property taxes for 2005 totaled $137,832, thus triggering a supplemental increment requirement of $12,167. Consistent with the terms of the agreement, half of the supplemental payment was due January 31, 2006 and the remaining half due July 31, 2006.

By January 1, 2006, the developer agreed that the fair market value of the facility would generate a tax increment of $225,000. If the development generates less than this amount, the developer is required to annually, thereafter, pay the village a sum which is the difference between the increment generated and $225,000. This payment will be made semi-annually by developer to village on or before January 31 and July 31 of each succeeding year.

In May 2010, the High Track refrigerated warehousing business located at 4704 Terminal Drive was sold by High Track, LLC to Midwest Refrigerated Services, Inc. As a result of the sale and reduced demand for warehousing space due to the weak economy, the assessed valuation of the real estate decreased from $15,785,900 in 2009 to $13,600,000 in 2010. The current loan was assumed by the new owners and the annual property taxes exceeds the guaranteed annual tax increment of $225,000.

During 2007 - 2019, the fair market value of the facility generated enough increment that no supplemental increment payment was required to be made by High Track.

SPARTAN PROPERTIES AND 84 LUMBER

The Village of McFarland also entered into development agreements with Spartan Properties and 84 Lumber under which TIF District No. 3 provided loans to facilitate two separate redevelopment projects. Both of these development agreements guarantee certain minimum assessed valuations for the properties in the year following the completion of construction. If the actual assessed values fall short of the guaranteed assessment amounts, the developers are obligated to make additional payments to the village equivalent to the property taxes that would have been due on the shortfall in valuation.

The 84 Lumber wholesale building products business located at 4414 Terminal Drive was sold in 2016. The existing loan ($29,552) from TIF District No. 3 to 84 Lumber was due upon sale and was paid in early 2017.

Partial construction on the Spartan Properties redevelopment project located at 4915 Voges Road commenced in 2012, but challenging market conditions and tight real estate lending practices make uncertain the timetable for completing full redevelopment of the site. It is anticipated, therefore, that TIF District No. 3 will remain heavily reliant on developer make-up payments in 2016 and 2017. These make-up payments are secured by a bank letter of credit and by a mortgage to the property. The village received $68,653 in make-up payments from Spartan Properties in 2016. As of 1/1/19, Spartan Properties had generated enough increment to no longer require any extra make-up payments.

NOTE 5 – GUARANTEED REVENUE (cont.)

WAUBESA VILLAGE

In 2015, the Village of McFarland entered into a development agreement with Waubesa Village, LLC. The agreement guarantees that Waubesa Village, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied. A makeup payment of $41,432 was made in 2017.

EZRA PROPERTIES

In 2019, the Village of McFarland entered into a development agreement with Ezra Properties, LLC. The agreement guarantees that Ezra Properties, LLC under which TIF No. 3 will provide economic development assistance in the form of a loan in an amount up to $675,000 upon certain conditions being satisfied by Ezra Properties, LLC. The agreement guarantees that Ezra Properties, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied for the tax year commencing January 1, 2021.

NOTE 6 – INCREMENT SHARING

As allowable under TIF statutes, the Village of McFarland may share positive TIF increments. In 2015, the Village of McFarland and the joint review board approved sharing increments from TIF District No. 3 (donor district) to TIF District No. 4 (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 2015. Transfers to date total $1,168,341. 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.

NOTE 7 – DEVELOPER PAYMENTS

Developer	Description	Year of Payment	Amount
High Track, LLC	Forgivable loan related to the construction of a cold storage facility and offices with a final completion value of approximately $9,000,000	2004	$ 1,500,000
Spartan Properties	Economic development assistance	2008	476,250
84 Lumber	Forgivable loan	2006	265,443
		2007	142,730
		2009	4,768
		2011	10,095
Waubesa Village, LLC	Economic development assistance	2016	545,584
		2018	350,800
		2019	9,200

SUPLEMENTAL INFORMATION

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 3

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
SOURCES																		
Tax increments	$ -	$ -	$ 164,170	$ 331,293	$ 462,568	$ 712,470	$ 829,770	$ 802,316	$ 753,774	$ 710,116	$ 704,314	$ 778,000	$ 767,184	$ 796,300	$ 821,442	$ 871,381	$ 9,505,098	$ 26,865,307
Developer guarantee	-	-	-	-	-	16,346	28,278	33,804	-	80,104	94,120	90,966	119,151	41,432	-	-	504,201	-
Exempt compter aid	-	-	3,244	8,725	6,345	3,339	7,832	15,273	13,760	10,495	7,114	4,784	3,988	5,466	5,547	5,681	101,593	-
Licenses and permits	-	-	8,152	-	-	-	-	-	-	-	-	-	-	-	-	-	8,152	-
Investment income	-	25,513	-	-	420	1,077	41	32	33	-	-	-	4,936	4,818	15,418	30,949	83,237	36,185
Interest on advance	-	-	-	-	-	2,457	555	440	598	445	416	802	4,485	-	-	2,043	12,241	-
Rent	-	-	4,500	10,800	10,800	10,800	10,974	11,100	11,100	11,100	4,675	-	-	-	-	-	85,849	-
Miscellaneous	-	-	-	-	-	-	-	-	238	4,679	-	-	-	-	-	-	4,917	447,337
Debt premium	-	1,545	-	-	42,234	-	-	-	-	-	-	-	-	-	-	-	43,779	43,779
Long-term debt issued	1,535,000	1,420,000	-	-	4,400,000	-	-	-	-	-	-	-	-	-	-	-	7,355,000	16,925,785
Total Sources	1,535,000	1,447,058	180,066	350,818	4,922,367	746,489	877,450	862,965	779,503	816,939	810,639	874,552	899,744	848,016	842,407	910,054	17,704,067	44,318,393
USES																		
Capital expenditures	464,250	627,599	245,447	19,416	216,851	21,820	134,363	1,000	143,530	239,332	6,139	-	-	-	358,000	-	2,477,747	9,639,818
Developer payments	1,500,000	-	265,443	142,730	476,250	4,768	-	10,095	-	-	-	-	545,584	-	350,800	9,200	3,304,870	5,000,000
Administration (in-house)	16,865	36,080	23,175	29,072	25,652	28,614	32,072	32,753	31,983	32,790	32,958	33,715	35,971	35,422	35,833	29,918	492,873	975,201
Professional services	13,301	6,560	17,175	7,744	14,711	4,728	24,836	5,398	10,687	2,819	11,769	10,623	29,958	17,114	14,079	11,539	203,041	-
Subsidy to TIF No. 4	-	-	-	-	-	-	-	-	-	-	-	-	843,658	-	245,470	79,213	1,168,341	4,373,416
Interest on advance	5,749	4,089	7,531	14,149	6,928	-	-	-	-	-	-	-	-	-	-	-	38,446	38,466
Interest and fiscal charges	28,100	32,359	173,727	115,091	212,218	270,964	208,986	194,449	178,311	160,376	140,728	122,064	101,076	66,406	66,406	66,406	2,137,667	3,538,049
Principal on long-term debt	-	-	-	-	-	3,250,000	325,000	345,000	360,000	380,000	345,000	365,000	570,000	-	-	260,000	6,200,000	16,925,785
Total Uses	2,028,265	706,687	732,498	328,202	952,610	3,580,894	725,257	588,695	724,511	815,317	536,594	531,402	2,126,247	118,942	1,070,588	456,276	16,022,985	40,490,735
Excess (deficiency) of sources of funds over uses of funds	(493,265)	740,371	(552,432)	22,616	3,969,757	(2,834,405)	152,193	274,270	54,992	1,622	274,045	343,150	(1,226,503)	729,074	(228,181)	453,778	1,681,082	
FUND BALANCE - Beginning of Period (Deficit)	-	(493,265)	247,106	(305,326)	(282,710)	3,687,047	852,642	1,004,835	1,279,105	1,334,097	1,335,719	1,609,764	$ 1,952,914	$ 726,411	$ 1,455,485	$ 1,227,304	-	
FUND BALANCE - END OF PERIOD (DEFICIT)	$ (493,265)	$ 247,106	$ (305,326)	$ (282,710)	$ 3,687,047	$ 852,642	$ 1,004,835	$ 1,279,105	$ 1,334,097	$ 1,335,719	$ 1,609,764	$ 1,952,914	$ 726,411	$ 1,455,485	$ 1,227,304	$ 1,681,082	$ 1,681,082	

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 3

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

	Actual	Project Plan Estimate
CAPITAL EXPENDITURES		
Ivywood Trail improvements	$ 408,153	$ 408,153
Siggelkow Road improvements	367,200	420,000
Sanitary sewer - Terminal Drive	816,318	1,000,000
Street improvements - Terminal Drive (urban)	127,136	1,846,000
Storm water improvements - Terminal Drive/Triangle St	242,020	513,665
Triangle Street improvements	230,303	1,070,000
Meinders Road improvements	19,690	232,000
USH 51 landscaping	-	250,000
Planning and engineering redevelopment plan	136,077	400,000
Marketing and business recruitment incentives	500,000	1,000,000
Economic development	2,795,670	5,000,000
Land acquisition, relocation, demolition	140,050	2,500,000
TOTAL CAPITAL EXPENDITURES	$ 5,782,617	$ 14,639,818

Form PE-300	TID Annual Report	2019 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code 13154	Municipality MCFARLAND		County DANE	Due date July 1, 2020	Report type ORIGINAL
TID number 003	TID type 4	TID name MCF TID 003	Creation date 08/09/2004	Mandatory termination date 08/09/2027	Expected termination date N/A

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	$1,227,304

Section 3 - Revenue	Amount
Tax increment	$871,381
Investment income	$30,949
Debt proceeds	$0
Special assessments	$0
Exempt computer aid	$5,681
Sale of property	$0
Allocation from another TID	
Developer guarantees name	
Transfer from other funds source	
Other grants sources	
Other revenue sources	
Source Interest on Advances	$2,043
Total Revenue (deposits)	$910,054

Form PE-300	TID Annual Report	2019 WI Dept of Revenue

Section 4 - Expenditures	Amount
Capital expenditures	$0
Administration	$29,768
Professional services	$11,539
Interest and fiscal charges	$66,406
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$260,000
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
TID number 004	$79,213
Developer grants name	
Developer name Waubesa Village Phase 2	$9,200
Transfer to other funds source	
Other expenditures source	
Total Expenditures	$456,276

Section 5 - Ending Balance	Amount
TID fund balance at end of year	$1,681,082
Future costs	$24,467,750
Future revenue	$26,614,326
Surplus or deficit	$3,827,658

Section 6 - Preparer/Contact Information	
Preparer name Matt Schuenke	Preparer title
Preparer email matt.schuenke@mcfarland.wi.us	Preparer phone (608) 838-2303
Contact name Matt Schuenke	Contact title Village Administrator
Contact email matt.schuenke@mcfarland.wi.us	Contact phone (608) 838-2303

VILLAGE OF McFarland

www.mcfarland.wi.us | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3153

Memorandum

To: Joint Review Board

From: Matthew G. Schuenke, Village Administrator

Cc: Dane County
Madison Area Technical College
School District of McFarland

Date: June 16, 2020

Re: 2019 Annual Report – *Tax Incremental District #4*

Executive Summary

ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose to review an annual report with the other overlying taxing jurisdictions. Several financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since this TID was created. This cover memorandum is provided as a summary of the year in review and an introduction to the financial statements prepared for the year.

Annual Review

TID #4 was created as a post 1995 Blight TID on January 14, 2008. It is scheduled to expire on January 14, 2035 and not presently forecasted for closure prior to this date. TID #4 first began collecting increment in 2017 after not having collected any since its inception. This has contributed to its financial health as it has historically had very little revenue to offset operating costs from year to year. The expenses for this TID to date have been supported by advances from TID #3 and debt service (which was paid by the advances). Its current fund balance is at ($334,061) which is a gain following a surplus last year. All of the remaining outstanding deficit is related to its obligation to pay back TID #3 through 2027 for the advance to fund the Farwell Place incentive.

Other than changes in market conditions affecting property values, the District was low on activity with respect to new construction. Staff continues to evaluate and work with property owners within this District in three areas: 1) second phase of Farwell Place Apartments; 2) Addition/renovation to the McFarland House Café property; and 3) sale of the land acquired at Bashford and Johnson streets. The district still has about $5.9 million in unexpended funds authorized in its project plan that could be pursued in future years including streetscaping, land acquisition, public improvements, economic development, and marketing initiatives. Also included is draft form PE 300 which is submitted to the DOR to convey the data from the financial statements.

Exhibits

Exhibit A – Compiled Financial Statements of TID #4 prepared by Baker Tilly

Exhibit B – Draft Form PE 300

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 4

McFarland, 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

VILLAGE OF MCFARLAND
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

To the Village Board
Village of McFarland
McFarland, Wisconsin

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the Village of McFarland's Tax Incremental District No. 4 ("district") as of and for the year ended December 31, 2019 and from the date of creation through December 31, 2019, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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 Village of McFarland as of December 31, 2019, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

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

Madison, Wisconsin
June 5, 2020

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 4

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Cash and investments	$ 68,342
Tax receivable	86,635
Loans receivable	59,905
TOTAL ASSETS	$ 214,882
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	
Liabilities	
Advances from village funds (TIF District No. 3)	$ 447,366
Accounts payable	14,942
Total Liabilities	462,308
Deferred Inflows of Resources	
Unearned revenue	86,635
Total Deferred Inflows of Resources	86,635
Fund Balance	
Unassigned (deficit)	(334,061)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	$ 214,882

See accompanying notes to financial statement.

VILLAGE OF MCFARLAND
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	$ 14,840	$ 824,478
Developer payments	-	592,500
Administration (in-house)	21,492	334,662
Professional services	1,620	110,753
Interest on advance	2,043	16,760
Interest and fiscal charges	5,195	100,761
Total Project Costs	45,190	1,979,914
PROJECT REVENUES		
Tax increments	93,135	213,491
Exempt computer aid	1,407	11,185
Subsidy from TIF No. 3	79,213	1,168,341
Investment income	677	1,000
Loan payments	-	26,250
Miscellaneous	-	1,300
Debt premium	-	9,286
Total Project Revenues	174,432	1,430,853
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS – DECEMBER 31, 2019	$ (129,242)	$ 549,061
RECONCILIATION OF RECOVERABLE COSTS		
G.O. debt outstanding		$ 215,000
Add: Deficit fund balance		334,061
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS – DECEMBER 31, 2019		$ 549,061

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 93,135	$ 213,491
Exempt computer aid	1,407	11,185
Subsidy from TIF No. 3	79,213	1,168,341
Investment income	677	1,000
Loan payments	-	26,250
Miscellaneous	-	1,300
Debt premium	-	9,286
Long-term debt issued	-	545,000
Total Sources of Funds	174,432	1,975,853
USES OF FUNDS		
Capital expenditures	14,840	824,478
Developer payments	-	592,500
Administration (in-house)	21,492	334,662
Professional services	1,620	110,753
Interest on advance	2,043	16,760
Interest and fiscal charges	5,195	100,761
Principal on long term debt	30,000	330,000
Total Uses of Funds	75,190	2,309,914
Excess (deficiency) of sources of funds over uses of funds	99,242	(334,061)
FUND BALANCE (DEFICIT) - Beginning of Period	(433,303)	-
FUND BALANCE (DEFICIT) - DECEMBER 31, 2019	$ (334,061)	$ (334,061)

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 4

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of McFarland'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 Village of McFarland 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 Village of McFarland's Tax Incremental District No.4. The accompanying financial statements do not include the full presentation of the Village of McFarland.

A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT

This report contains the financial information of the Village of McFarland's Tax Incremental District No. 4. The summary statements were prepared from data recorded in the following funds and the village's long-term debt:

General Fund
Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village of McFarland'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 municipality to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of McFarland. 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	01/14/08	01/14/30	2035

Plan Amendment	Adoption Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	06/22/15	01/14/30	2035

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 village 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 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.

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 4

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

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

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

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 Village of McFarland. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the Tax Incremental District No. 4 fund. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12-31-19
2008 G.O. Promissory Notes	12/15/08	12/01/18	4.00 - 4.25%	$ 270,000	$ 270,000	$ -
2017 G.O. Promissory Notes	07/20/17	12/01/26	1.2% - 2.2%	275,000	60,000	215,000
Totals				$ 545,000	$ 330,000	$ 215,000

NOTE 3 – LONG TERM DEBT (cont.)

A. General Obligation Debt (cont.)

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

Year	Principal	Interest	Total
2020	$ 30,000	$ 4,595	$ 34,595
2021	30,000	3,920	33,920
2022	30,000	3,245	33,245
2023	30,000	2,570	32,570
2024	30,000	1,970	31,970
2025	30,000	1,370	31,370
2026	35,000	770	35,770
Totals	$ 215,000	$ 18,440	$ 233,440

NOTE 4 – ADVANCES FROM VILLAGE FUNDS

TIF District No. 3 is advancing funds to TIF District No. 4. As of December 31, 2016 the village forgave all advances to TIF No. 4 (see Note 6) with the exception of $500,000. The $500,000 represents the 2016 developer payment made for Farwell Place. In 2017, a repayment schedule was established for the advance. Payments began in 2018 with interest. TIF District No. 3 is charging the TIF District interest on the advance based on the average outstanding advance balance during the year at a floating interest rate. $2,043 in interest was charged in 2019.

The following is the advance repayment schedule.

Year	Principal	Interest
2020	$ 49,660	$ 1,820
2021	49,883	1,596
2022	50,108	1,371
2023	50,334	1,145
2024	50,561	918
2025	50,789	690
2026	51,018	461
2027	51,250	232
Totals	$ 403,603	$ 8,233

The outstanding portion of this advance was $403,603 as of December 31, 2019. In 2018, TIF No. 3 advanced an additional $43,763. No interest was charged on the additional advance to TIF No. 4.

NOTE 5 – GUARANTEED REVENUE

In 2015, the Village of McFarland has entered into a development agreement with Farwell Place, LLC. The agreement guarantees that Farwell Place, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied starting in 2017. The fair market value of the development generated enough increment that no supplemental increment payment was required to be made by the developer in 2017.

NOTE 6 – INCREMENT SHARING

As allowable under TIF statutes, the Village of McFarland may share positive TIF increments. In 2015, the Village of McFarland and the joint review board approved sharing increments from TIF District No. 3 (donor district) to TIF District No. 4 (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 2015. A transfer of $843,658 was made in 2016 from TIF No. 3 to TIF No. 4 to forgive a portion of the advances from TIF No. 3 to TIF No. 4 (see Note 4). 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. Total transfers to date total $1,168,341.

NOTE 7 – DEVELOPER PAYMENTS

Developer	Description	Year of Payment	Amount
Washa Construction	Economic development loan/forgivable loan	2009	$ 67,500
Farwell	Economic development	2016	500,000
Hillcrest Rentals, LLC	Grant to permit the installation of an automatic fire sprinkler system	2017	25,000

SUPPLEMENTAL INFORMATION

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 4

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Totals	Project Plan Estimate
SOURCES OF FUNDS															
Tax increments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 35,522	$ 84,834	$ 93,135	$ 213,491	$ 7,758,702
Exempt computer aid	-	-	-	730	511	822	789	1,018	1,595	1,585	1,354	1,374	1,407	11,185	-
Subsidy from TIF No. 3	-	-	-	-	-	-	-	-	-	843,658	-	245,470	79,213	1,168,341	4,373,416
Investment income	-	-	-	-	-	-	-	-	323	-	-	-	677	1,000	-
Loan payments	-	-	-	-	-	-	-	4,375	4,375	4,375	4,375	8,750	-	26,250	58,576
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	1,300	-	1,300	-
Debt premium	-	5,534	-	-	-	-	-	-	-	-	3,752	-	-	9,286	5,534
Long-term debt issued	-	270,000	-	-	-	-	-	-	-	-	275,000	-	-	545,000	7,159,068
Total Sources of Funds	-	275,534	-	730	511	822	789	5,393	6,293	849,618	320,003	341,728	174,432	1,975,853	19,355,296
USES OF FUNDS															
Capital expenditures	14,472	318,700	30,260	-	-	-	-	-	-	-	240,187	206,019	14,840	824,478	1,720,000
Developer payments	-	-	67,500	-	-	-	-	-	-	500,000	25,000	-	-	592,500	5,600,000
Administration (in-house)	-	-	29,385	32,026	32,709	31,954	32,415	32,958	37,942	35,971	31,563	16,247	21,492	334,662	929,883
Professional services	178	22,003	11,309	11,018	2,118	4,135	2,425	2,027	10,208	7,454	14,410	21,848	1,620	110,753	-
Interest on advance	-	1,668	789	555	440	598	445	416	802	4,485	-	4,519	2,043	16,760	4,911
Interest and fiscal charges	-	5,534	11,029	11,475	11,475	11,475	10,413	9,350	7,650	5,950	3,639	7,576	5,195	100,761	1,376,436
Principal on long-term debt	-	-	-	-	-	25,000	25,000	40,000	40,000	140,000	-	30,000	30,000	330,000	7,159,068
Total Uses of Funds	14,650	347,905	150,272	55,074	46,742	73,162	70,698	84,751	96,602	693,860	314,799	286,209	75,190	2,309,914	16,790,298
Excess (deficiency) of sources of funds over uses of funds	(14,650)	(72,371)	(150,272)	(54,344)	(46,231)	(72,340)	(69,909)	(79,358)	(90,309)	155,758	5,204	55,519	99,242	(334,061)	
FUND BALANCE - Beginning of Period (Deficit)	-	(14,650)	(87,021)	(237,293)	(291,637)	(337,868)	(410,208)	(480,117)	(559,475)	(649,784)	(494,026)	(488,822)	(433,303)	-	
FUND BALANCE – END OF PERIOD (DEFICIT)	$ (14,650)	$ (87,021)	$ (237,293)	$ (291,637)	$ (337,868)	$ (410,208)	$ (480,117)	$ (559,475)	$ (649,784)	$ (494,026)	$ (488,822)	$ (433,303)	$ (334,061)	$ (334,061)	

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 4

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

	Actual	Project Plan Estimate
Anthony Street improvements	$ -	$ 70,000
Bashford/Exchange Street intersection improvements (rail improvements)	154,979	300,000
Traffic signals Bashford and Exchange	-	150,000
Farwell Street water main improvements	210,676	100,000
Stormwater improvements/engineering	-	200,000
District-wide specialty landscaping, lighting, pedestrian amenities	406,019	500,000
Contingency	-	250,000
Redevelopment funding	592,500	5,600,000
Administration, planning and legal	52,804	150,000
TOTAL CAPITAL EXPENDITURES	$ 1,416,978	$ 7,320,000

Form PE-300	TID Annual Report	2019 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code **13154**	Municipality **MCFARLAND**		County **DANE**	Due date **July 1, 2020**	Report type **ORIGINAL**
TID number **004**	TID type **2**	TID name **MCF TID 004**	Creation date **01/14/2008**	Mandatory termination date **01/14/2035**	Expected termination date **N/A**

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	$-433,303

Section 3 - Revenue	Amount
Tax increment	$93,135
Investment income	$677
Debt proceeds	$0
Special assessments	$0
Exempt computer aid	$1,407
Sale of property	$0
Allocation from another TID	
TID number 003	$79,213
Developer guarantees name	
Transfer from other funds source	
Other grants sources	
Other revenue sources	
Total Revenue (deposits)	$174,432

Form PE-300	TID Annual Report	2019 WI Dept of Revenue

Section 4 - Expenditures	Amount
Capital expenditures	$14,840
Administration	$21,342
Professional services	$1,620
Interest and fiscal charges	$5,195
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$30,000
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
Developer grants name	
Developer name None	$0
Transfer to other funds source	
Other expenditures source	
Name Interest on Advance	$2,043
Total Expenditures	$75,190

Section 5 - Ending Balance	Amount
TID fund balance at end of year	$-334,061
Future costs	$14,480,384
Future revenue	$17,379,443
Surplus or deficit	$2,564,998

Section 6 - Preparer/Contact Information	
Preparer name Matt Schuenke	Preparer title
Preparer email matt.schuenke@mcfarland.wi.us	Preparer phone (608) 838-2303
Contact name Matt Schuenke	Contact title Village Administrator
Contact email matt.schuenke@mcfarland.wi.us	Contact phone (608) 838-2303

www.mcfarland.wi.us | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3153

Memorandum

To: Joint Review Board

From: Matthew G. Schuenke, Village Administrator

Cc: Dane County
Madison Area Technical College
School District of McFarland

Date: June 16, 2020

Re: 2019 Annual Report – *Tax Incremental District #5*

Executive Summary

ACT 257 was created by the State of Wisconsin as a means to require municipalities to hold annual Joint Review Board meetings with the express purpose to review an annual report with the other overlying taxing jurisdictions. Several financial metrics are required to be provided in order to demonstrate the TID's performance over time. The Village is fortunate that it has been preparing this type of annual report voluntarily through its annual auditing process since this TID was created. This cover memorandum is provided as a summary of the year in review and an introduction to the financial statements prepared for the year.

Annual Review

TID #5 was created on December 11, 2017. It is scheduled to expire in 2045 and not presently forecasted for closure prior to this date. TID #5 expects to realize about $17,000 in increment for fiscal operating year 2020 based upon established values as of January 1, 2019. This is the first year in which increment can be collected within the district and already showing positive returns. The fund balance within the district is ($147,635) and it did experience a small deficit in 2019 of ($10,873). 2019 marked the second full year of operations after its inception in 2018, and it is expected to grow accordingly now based on how it was setup within the project plan.

The first major project for the district was the acquisition and redevelopment of 4719 Farwell Street. The property began construction of the first phase for the project in November of 2019 and is expected to be complete before year end. The second phase for the project will be a stand alone commercial building. We also went through a process to refinance the loan used to purchase this property which significantly lowered the interest expense for the development and improved the expected proforma for the project. The increment gains in 2020 are also attributed to general market conditions as well as a new apartment building on Lexington where the full value was realized and renovation improvements to Culvers. The Village incentivized neither project and the added value goes to benefit the operations of the district.

Exhibits

Exhibit A – Compiled Financial Statements of TID #5 prepared by Baker Tilly

Exhibit B – Draft Form PE 300

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

McFarland, 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

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

To the Village Board
Village of McFarland
McFarland, Wisconsin

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and Historical Summary of Sources, Uses, and Status of Funds of the Village of McFarland's Tax Incremental District No. 5 ("district") as of and for the year ended December 31, 2019 and from the date of creation through December 31, 2019, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

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 Village of McFarland as of December 31, 2019, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance 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. This information is the representation of management. This information was subject to our compilation engagement, however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

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

Madison, Wisconsin
June 5, 2020

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

COMPILED
BALANCE SHEET
As of December 31, 2019

	Capital Projects Fund
ASSETS	
Taxes receivable	$ 17,708
TOTAL ASSETS	$ 17,708
LIABILITIES AND FUND BALANCE	
Liabilities	
Advance from other fund	$ 147,635
Total Liabilities	147,635
Deferred Inflows of Resources	
Unearned revenue	17,708
Total Deferred Inflows of Resources	17,708
Fund Balance	
Unrestricted	(147,635)
Total Fund Balances	(147,635)
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE	$ 17,708

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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	$ -	$ 1,056,783
Administration (in-house)	17,547	18,447
Professional services	34,588	60,450
Interest and fiscal charges	65,707	69,207
Total Project Costs	117,842	1,204,887
PROJECT REVENUES		
Rent	39,297	59,580
Debt premium	2,672	2,672
Total Project Revenues	41,969	62,252
NET COST RECOVERABLE (RECOVERED) THROUGH TIF INCREMENTS - DECEMBER 31, 2019	$ 75,873	$ 1,142,635
RECONCILIATION OF RECOVERABLE COSTS		
G.O. debt outstanding		$ 995,000
Less: Fund balance		147,635
NET COST RECOVERABLE THROUGH TIF INCREMENTS - DECEMBER 31, 2019		$ 1,142,635

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Rent	$ 39,297	$ 59,580
Debt premium	2,672	2,672
Long-term debt issued	995,000	1,925,000
Total Sources of Funds	1,036,969	1,987,252
USES OF FUNDS		
Capital expenditures	-	1,056,783
Administration (in-house)	17,547	18,447
Professional services	34,588	60,450
Interest and fiscal charges	65,707	69,207
Principal on long-term debt	930,000	930,000
Total Uses of Funds	1,047,842	2,134,887
Excess (deficiency) of sources of funds over uses of funds	(10,873)	(147,635)
FUND BALANCE (DEFICIT) - Beginning of Period	(136,762)	-
FUND BALANCE (DEFICIT) - DECEMBER 31, 2019	$ (147,635)	$ (147,635)

See accompanying notes to financial statements.

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of McFarland's Tax Incremental District No. 5 (the "district") conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of McFarland 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. 5. The accompanying financial statements reflect all the significant operations of Village of McFarland's Tax Incremental District No.5. The accompanying financial statements do not include the full presentation of the Village of McFarland.

A. Description of Fund Structure and Long-Term Debt

This report contains the financial information of the Village of McFarland's Tax Incremental District No. 5. The summary statements were prepared from data recorded in the following funds and the village's long-term debt:

Capital Projects Fund

Detailed descriptions of the purpose of this fund and long-term debt can be found in the Village of McFarland'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 municipality to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village of McFarland. 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. 5	12/11/17	12/11/39	2045

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

NOTES TO FINANCIAL STATEMENTS
As of and For the Year Ended December 31, 2019
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 village 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 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.

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

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

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

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 Village of McFarland. Notes and bonds borrowed to finance the district's expenditures will be retired by tax increments accumulated by the Tax Incremental District No. 5 fund. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebtedness	Repaid	Balance 12-31-19
2018 STFL Notes	12/11/18	03/15/38	4.75%	$ 930,000	$ 930,000	$ -
2019 G.O. Refunding Bond	08/01/19	10/01/38	2.10-3.05%	995,000	-	995,000
Totals				$ 1,925,000	$ 930,000	$ 995,000

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

NOTE 3 – LONG TERM DEBT (cont.)

A. General Obligation Debt (cont.)

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

Year	Principal	Interest	Total
2020	$ -	$ 31,710	$ 31,710
2021	-	27,180	27,180
2022	50,000	26,655	76,655
2023	50,000	25,605	75,605
2024	50,000	24,505	74,505
2025-2029	265,000	104,263	369,263
2030-2034	305,000	65,400	370,400
2035-2039	275,000	16,988	291,988
Totals	$ 995,000	$ 322,306	$ 1,317,306

NOTE 4 – ADVANCES FROM VILLAGE FUNDS

In 2018, TIF No. 3 advanced $128,178 to TIF No. 5. In 2019, the amount of the advance to TIF No. 5 increased to $147,635. No repayment schedule has been established and no interest was charged on the advance.

NOTE 5 – GUARANTEED REVENUE

The Atwater and Lakestone Holdings

In 2019, the Village of McFarland entered into a development agreement with The Atwater, LLC and Lakestone Holdings, LLC under which TIF No. 3 will provide economic development assistance in the form of a loan in an amount up to $350,000 upon certain conditions being satisfied by The Atwater, LLC. The agreement guarantees that The Atwater, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied for the tax year commencing January 1, 2022.

SUPPLEMENTAL INFORMATION

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

	2018	2019	Totals	Project Plan Estimate
SOURCES OF FUNDS				
Tax increments	$ -	$ -	$ -	$ 29,747,490
Investment income	-	-	-	40,439
Rent	20,283	39,297	59,580	-
Debt premium	-	2,672	2,672	-
Long-term debt issued	930,000	995,000	1,925,000	16,232,389
Total Sources of Funds	950,283	1,036,969	1,987,252	46,020,318
USES OF FUNDS				
Capital expenditures	1,056,783	-	1,056,783	3,450,000
Developer payments	-	-	-	12,782,389
Administration (in-house)	900	17,547	18,447	104,500
Professional services	25,862	34,588	60,450	104,500
Interest on advance	-	-	-	1,193,883
Interest and fiscal charges	3,500	65,707	69,207	6,178,805
Principal on long-term debt	-	930,000	930,000	16,232,389
Total Uses of Funds	1,087,045	1,047,842	2,134,887	40,046,466
Excess (deficiency) of sources of funds over uses of funds	(136,762)	(10,873)	(147,635)	
FUND BALANCE - Beginning of Period (Deficit)	-	(136,762)	-	
FUND BALANCE - END OF PERIOD (DEFICIT)	$ (136,762)	$ (147,635)	$ (147,635)	

VILLAGE OF MCFARLAND
TAX INCREMENTAL DISTRICT NO. 5

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

	Actual	Project Plan Estimate
CAPITAL EXPENDITURES		
Infrastructure - Farwell, Retention Pond, Blackwater Channel	$ 920,809	$ 3,050,000
Streetscaping improvements	135,974	400,000
Development funds / incentives	-	12,782,389
TOTAL CAPITAL EXPENDITURES	$ 1,056,783	$ 16,232,389

Form PE-300	TID Annual Report	2019 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code **13154**	Municipality **MCFARLAND**		County **DANE**	Due date **July 1, 2020**	Report type **ORIGINAL**
TID number **005**	TID type **3**	TID name **MCF TID 005**	Creation date **12/11/2017**	Mandatory termination date **12/11/2045**	Expected termination date **N/A**

Section 2 - Beginning Balance	Amount
TID fund balance at beginning of year	$-136,762

Section 3 - Revenue		Amount
Tax increment		$0
Investment income		$0
Debt proceeds		$995,000
Special assessments		$0
Exempt computer aid		$0
Sale of property		$0
Allocation from another TID		
Developer guarantees name		
Transfer from other funds source		
Other grants sources		
Other revenue sources		
Source	Rent	$39,297
Source	Debt Premium	$2,672
Total Revenue (deposits)		$1,036,969

Form PE-300	TID Annual Report	2019 WI Dept of Revenue

Section 4 - Expenditures	Amount
Capital expenditures	$0
Administration	$17,397
Professional services	$34,588
Interest and fiscal charges	$65,707
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$930,000
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
Developer grants name	
Developer name N/A	$0
Transfer to other funds source	
Other expenditures source	
Total Expenditures	$1,047,842

Section 5 - Ending Balance	Amount
TID fund balance at end of year	$-147,635
Future costs	$37,911,579
Future revenue	$44,033,066
Surplus or deficit	$5,973,852

Section 6 - Preparer/Contact Information	
Preparer name Matt Schuenke	Preparer title Village Administrator
Preparer email matt.schuenke@mcfarland.wi.us	Preparer phone (608) 838-2303
Contact name Matt Schuenke	Contact title Village Administrator
Contact email matt.schuenke@mcfarland.wi.us	Contact phone (608) 838-2303