VILLAGE OF MCFARLAND

Joint Review Board

NOTICE OF PUBLIC MEETING

Wednesday, July 13, 2022 | **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/88526352917

Or by Telephone: +1 (312) 626-6799
Webinar ID: 885 2635 2917
Press *9 to raise/lower hand. Press *6 to mute/unmute.

1. CALL TO ORDER.

2. ROLL CALL.

3. PUBLIC APPEARANCES.
   a. This is an opportunity for members of the public to address the Joint Review Board. Please remember this is a virtual meeting conducted through the Zoom online meeting platform. Zoom meeting attendees wishing to address the Board may do so using the Question and Answer feature within the Zoom online meeting platform. You may state your name, address, and provide your comments to the Board for their consideration. Members of the public who are present in person and wish to address the Board should fill out a public comment form and turn into the meeting chairperson. Members of the public may speak during public appearances or during their selected agenda item as they designate on the public comment form. Please adhere to the 3-minute time limit. Additionally, you may send your public comments to community.development@mcfarland.wi.us to be included as part of the meeting.

4. BUSINESS.
   a. Discussion and possible action to appoint Tammy Olson as the Public Member to the Joint Review Board for the Village of McFarland Tax Increment Finance Districts #3, #4, and #5.

   b. Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #3.

   c. Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #4.

   d. Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #5.

5. SCHEDULE NEXT MEETING DATE.
   a. To be determined.

6. ADJOURNMENT.

Any person who has a qualifying disability as defined by the Americans with Disabilities Act that requires the meeting or materials at the meeting to be in an accessible location or format should contact the McFarland Municipal Center at (608)838-3153, 5915 Milwaukee Street, McFarland, Wisconsin, or village.clerk@mcfarland.wi.us by 2:00 p.m. at least 5 business days prior to the meeting so that any necessary arrangements can be made to accommodate each request. If the meeting or request is less than 5 business days from the meeting, requests for accommodations may still be made and reasonable efforts will be made to accommodate each request.

VILLAGE OF

McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and possible action to appoint Tammy Olson as the Public Member to the Joint Review Board for the Village of McFarland Tax Increment Finance Districts #3, #4, and #5.**

PREVIOUS ACTION:

ISSUE SUMMARY:
Erik Thoresen previously served as the Public Member of the Joint Review Board. With his resignation, the Joint Review Board will need to appoint a new Public Member. The Village President has nominated Tammy Olson to serve this position.

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion to appoint Tammy Olson as the Public Member to the Joint Review Board for the Village of McFarland Tax Increment Finance Districts #3, #4, and #5.

ATTACHMENTS:
None

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #3.**

PREVIOUS ACTION:

ISSUE SUMMARY:

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion to accept the 2021 Annual Report for Tax Increment District #3.

ATTACHMENTS:
1. McFarland JRB Memo_2021 TID#3 Annual Reports_06.28.22
2. 13154-TID003-Annual Report-2021
3. Village of McFarland TID No 3 Report - FINAL

Memorandum

To: McFarland Joint Review Board (JRB), Tax Increment Districts #3
Cc: McFarland Community Development Authority

From: Andrew Bremer, Community & Economic Development Director

Date: June 28, 2022

Re: 2021 Annual Report for TID #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 of each TIF District 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 and WDOR PE-300 forms prepared for the year.

TID #3 2021 Annual Report

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. The 2021 Tax Increment Value of the District was $47,658,500, up from $44,666,400 in 2020. TID #3 has done very well with a positive fund balance of $1,469,944 at the end of 2021. In 2021, the TID collected $930,641 in tax increment, up from $829,009 the prior year, and anticipated to increase to $965,291 in 2022. TID #3 also serves as a donor to TID #4 as authorized by the JRB on July 14, 2015. The expenditure period for TID #3 expires on August 9, 2022. The District still has about $8M in unexpended funds authorized in its Project Plan that for a variety of reasons were not able to be completed prior to the expenditure period. The Village is considering developing a new overlay TIF District to be able to continue to utilize this financial tool to revitalize blighted and underutilized properties and complete additional public works projects that were not able to be completed prior to the TID #3 expenditure period.

2021 New Project/Development Highlights:

1. 4608 Siggelkow Road. The third phase of Waubesa Village (4608 Siggelkow Road), a 27-unit apartment building, was completed. The development is expected to add ~$3.8M in value to the TID as of January 1, 2022.
2. 4908 Terminal Drive. The Village approved a fourth phase of Waubesa Village (4908 Terminal Drive), a 27-unit apartment building. This development project includes 4902 Terminal Drive, a previous Village parcel that was purchased for the purpose of redeveloping the former single-family home located on the parcel. The building is currently under construction and the full value for this fourth phase (~$3.8M) will be achieved as of January 1, 2023.
3. 4313 Triangle Street. In 2020, the Village purchased 4313 Triangle Street to eliminate blight and assemble properties near Meinders Road as previous plans had called for. In 2021, a local

business, CTW Flooring, received approval to construct a 27,000 square foot office and warehouse facility for a subsidiary business Wisco Cabinets. The building is currently under construction and the full value (~$2.35M) will be achieved as of January 1, 2023.

Exhibits: Form PE 300
Compiled Financial Statements of TID #3 prepared by Baker Tilly

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code **13154**	Municipality **MCFARLAND**		County **DANE**	Due date **07/01/2022**	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	**$1,193,024**

Section 3 - Revenue	Amount
Tax increment	$930,641
Investment income	$669
Debt proceeds	$0
Special assessments	$0
Shared revenue	$96,437
Sale of property	$0
Allocation from another TID	
Developer guarantees	
Developer name Waubesa Village, LLC	$2,513
Developer name Ezra Properties, LLC	$25,792
Developer name High Track, LLC	$53,586
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	**$1,109,638**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 4 - Expenditures		Amount
Capital expenditures		$973
Administration		$40,721
Professional services		$24,023
Interest and fiscal charges		$40,894
DOR fees		$150
Discount on long-term debt		$0
Debt issuance costs		$0
Principal on long-term debt		$285,000
Environmental costs		$0
Real property assembly costs		$0
Allocation to another TID		
TID number	004	$440,957
Developer grants		
Developer name	Ezra Properties	$0
Transfer to other funds		
Other expenditures		
Total Expenditures		**$832,718**

Section 5 - Ending Balance	Amount
TID fund balance at end of year	**$1,469,944**
Future costs	**$22,225,915**
Future revenue	**$24,583,629**
Surplus or deficit	**$3,827,658**

Section 6 - Preparer/Contact Information	
Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.us**	Preparer phone **(608) 838-3154**
Contact name **Matt Schuenke**	Contact title **Village Administrator**
Contact email **matt.schuenke@mcfarland.wi.us**	Contact phone **(608) 838-2303**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Submission Information	
Co-muni code	13154
TID number	003
Submission date	06-28-2022 01:36 PM
Confirmation	TIDAR20210383O1656441370835
Submission type	ORIGINAL

Village of McFarland
Tax Incremental District No. 3

Financial Statements and
Supplementary Information

December 31, 2021

Village of McFarland Tax Incremental District No. 3

Table of Contents
December 31, 2021

Contents

Accountants' Compilation Report

To the Village Board of
Village of McFarland

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. 3 (District) as of and for the year ended December 31, 2021 and from the date of creation through December 31, 2021, 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, 2021, 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.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

Village of McFarland Tax Incremental District No. 3

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	$ 908,209
Taxes receivable	965,291
Advances to village funds	562,477
Total assets	$ 2,435,977
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	$ 742
Total liabilities	742
Deferred Inflows of Resources	
Unearned revenue	965,291
Total deferred inflows of resources	965,291
Fund Balance	
Restricted	1,469,944
Total liabilities, deferred inflows of resources and fund balance	$ 2,435,977

See notes to financial statements

Village of McFarland Tax Incremental District No. 3

Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ 973	$ 2,954,829
Developer payments	-	3,642,370
Administration (in-house)	40,871	568,166
Professional services	24,023	246,253
Subsidy to TIF No. 4	440,957	1,827,139
Interest on advance	-	38,446
Interest and fiscal charges	40,894	2,232,617
Total project costs	547,718	11,509,820
Project Revenues		
Tax increments	930,641	11,263,748
Developer guarantees	81,891	616,045
Exempt computer aid	96,437	250,751
Licenses and permits	-	8,152
Investment income	669	92,240
Interest on advances	-	14,061
Rent	-	85,849
Miscellaneous	-	5,139
Debt premium	-	43,779
Total project revenues	1,109,638	12,379,764
Net cost recoverable (recovered) through TIF increments, December 31, 2021	$ (561,920)	$ (869,944)
Reconciliation of Recoverable Costs		
G.O. debt outstanding		$ 600,000
Less fund balance		(1,469,944)
Net cost recoverable through TIF increments, December 31, 2021		$ (869,944)

See notes to financial statements

Village of McFarland Tax Incremental District No. 3

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 930,641	$ 11,263,748
Developer guarantees	81,891	616,045
Exempt computer aid	96,437	250,751
Licenses and permits	-	8,152
Investment income	669	92,240
Interest on advances	-	14,061
Rent	-	85,849
Miscellaneous	-	5,139
Debt premium	-	43,779
Long-term debt issued	-	7,355,000
Total sources of funds	1,109,638	19,734,764
Uses of Funds		
Capital expenditures	973	2,954,829
Developer payments	-	3,642,370
Administration (in-house)	40,871	568,166
Professional services	24,023	246,253
Subsidy to TIF No. 4	440,957	1,827,139
Interest on advance	-	38,446
Interest and fiscal charges	40,894	2,232,617
Principal on long-term debt	285,000	6,755,000
Total uses of funds	832,718	18,264,820
Excess of sources of funds over uses of funds	276,920	1,469,944
Fund Balance, Beginning	1,193,024	-
Fund Balance, Ending	$ 1,469,944	$ 1,469,944

See notes to financial statements

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.

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

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

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.

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.

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.

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.

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.

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.

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.

3. Long-Term Debt

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.

Title of Issue	Date of Issue	Due Date	Interest Rates	Original Indebted-ness	Repaid	Balance 12/31/21
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	815,000	600,000
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	$ 6,755,000	$ 600,000

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

	Principal	Interest	Total
Years ending December 31:			
2022	$ 295,000	$ 27,000	$ 322,000
2023	305,000	13,725	318,725
Total	$ 600,000	$ 40,725	$ 640,725

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 was 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 amounting to $353,944 was forgiven by TIF No. 3 as of December 31, 2021. In 2018, TIF No. 3 advanced an additional $43,763 to TIF No. 4, which was also forgiven during 2021. No interest was charged on this additional advance to TIF No. 4.

TIF No. 3 also advanced $147,635 to TIF No. 5 in 2019. In 2020, the amount of the advance to TIF No. 5 increased to $189,083. In 2021, the amount of the advance to TIF No. 5 increased to $212,477. No interest has been charged on the advance to TIF No. 5. In 2020, the TIF District No. 3 advanced $350,000 to TIF No. 5. A repayment schedule has not been established for this advance as of December 31, 2021. There is no interest being charged on the advance. The outstanding portion of this advance at December 31, 2021 was $350,000.

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.

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.

In 2021, a payment from High Track LLC for $53,586 was made to the Village. This payment was to close out the loan between the Village and the Developer upon satisfaction of the developer agreement obligations, and to allow for the sale of the property to occur.

During 2007 - 2020, 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.

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. A makeup payment of $29,953 was made in 2020. A make-up payment of $2,513 was made in 2021.

Ezra Properties

In 2019, the Village of McFarland entered into a development agreement with Ezra Properties, LLC. The agreement guarantees that 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. 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. In 2021, a payment of $25,792 was made by Erza to the Village. This related to a makeup payment for their development property that did not meet the required assessed value in 2021.

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 $1,827,139. 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.

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
Ezra Properties, LLC	Economic development assistance	2020	337,500

Village of McFarland Tax Incremental District No. 3

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sources of Funds										
Tax increments	$ -	$ -	$ 164,170	$ 331,293	$ 462,568	$ 712,470	$ 829,770	$ 802,316	$ 753,774	$ 710,116
Developer guarantee	-	-	-	-	-	16,346	28,278	33,804	-	80,104
Exempt computer aid	-	-	3,244	8,725	6,345	3,339	7,832	15,273	13,760	10,495
Licenses and permits	-	-	8,152	-	-	-	-	-	-	-
Investment income	-	25,513	-	-	420	1,077	41	32	33	-
Interest on advance	-	-	-	-	-	2,457	555	440	598	445
Rent	-	-	4,500	10,800	10,800	10,800	10,974	11,100	11,100	11,100
Miscellaneous	-	-	-	-	-	-	-	-	238	4,679
Debt premium	-	1,545	-	-	42,234	-	-	-	-	-
Long-term debt issued	1,535,000	1,420,000	-	-	4,400,000	-	-	-	-	-
Total sources of funds	1,535,000	1,447,058	180,066	350,818	4,922,367	746,489	877,450	862,965	779,503	816,939
Uses of Funds										
Capital expenditures	464,250	627,599	245,447	19,416	216,851	21,820	134,363	1,000	143,530	239,332
Developer payments	1,500,000	-	265,443	142,730	476,250	4,768	-	10,095	-	-
Administration (in-house)	16,865	36,080	23,175	29,072	25,652	28,614	32,072	32,753	31,983	32,790
Professional services	13,301	6,560	17,175	7,744	14,711	4,728	24,836	5,398	10,687	2,819
Subsidy to TIF No. 4	-	-	-	-	-	-	-	-	-	-
Interest on advance	5,749	4,089	7,531	14,149	6,928	-	-	-	-	-
Interest and fiscal charges	28,100	32,359	173,727	115,091	212,218	270,964	208,986	194,449	178,311	160,376
Principal on long-term debt	-	-	-	-	-	3,250,000	325,000	345,000	360,000	380,000
Total uses of funds	2,028,265	706,687	732,498	328,202	952,610	3,580,894	725,257	588,695	724,511	815,317
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
Fund Balance (Deficit), Beginning	-	(493,265)	247,106	(305,326)	(282,710)	3,687,047	852,642	1,004,835	1,279,105	1,334,097
Fund Balance (Deficit), Ending	$ (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

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2014	2015	2016	2017	2018	2019	2020	2021	Total	Project Plan Estimate
Sources of Funds										
Tax increments	$ 704,314	$ 778,000	$ 767,184	$ 796,300	$ 821,442	$ 871,381	$ 828,009	$ 930,641	$ 11,263,748	$ 26,865,307
Developer guarantee	94,120	90,966	119,151	41,432	-	-	29,953	81,891	616,045	-
Exempt computer aid	7,114	4,784	3,988	5,466	5,547	5,681	52,721	96,437	250,751	-
Licenses and permits	-	-	-	-	-	-	-	-	8,152	-
Investment income	-	-	4,936	4,818	15,418	30,949	8,334	669	92,240	36,185
Interest on advance	416	802	4,485	-	-	2,043	1,820		14,061	-
Rent	4,675	-	-	-	-	-	-		85,849	-
Miscellaneous	-	-	-	-	-	-	222	-	5,139	447,337
Debt premium	-	-	-	-	-	-	-	-	43,779	43,779
Long-term debt issued	-	-	-	-	-	-	-	-	7,355,000	16,925,785
Total sources of funds	810,639	874,552	899,744	848,016	842,407	910,054	921,059	1,109,638	19,734,764	44,318,393
Uses of Funds										
Capital expenditures	6,139	-	-	-	358,000	-	476,109	973	2,954,829	9,639,818
Developer payments	-	-	545,584	-	350,800	9,200	337,500	-	3,642,370	5,000,000
Administration (in-house)	32,958	33,715	35,971	35,422	35,833	29,918	34,422	40,871	568,166	975,201
Professional services	11,769	10,623	29,958	17,114	14,079	11,539	19,189	24,023	246,253	-
Subsidy to TIF No. 4	-	-	843,658	-	245,470	79,213	217,841	440,957	1,827,139	4,373,416
Interest on advance	-	-	-	-	-	-	-	-	38,446	38,466
Interest and fiscal charges	140,728	122,064	101,076	66,406	66,406	66,406	54,056	40,894	2,232,617	3,538,049
Principal on long-term debt	345,000	365,000	570,000	-	-	260,000	270,000	285,000	6,755,000	16,925,785
Total uses of funds	536,594	531,402	2,126,247	118,942	1,070,588	456,276	1,409,117	832,718	18,264,820	40,490,735
Excess (deficiency) of sources of funds over uses of funds	274,045	343,150	(1,226,503)	729,074	(228,181)	453,778	(488,058)	276,920	1,469,944	
Fund Balance (Deficit), Beginning	1,335,719	1,609,764	1,952,914	726,411	1,455,485	1,227,304	1,681,082	1,193,024	-	
Fund Balance (Deficit), Ending	$ 1,609,764	$ 1,952,914	$ 726,411	$ 1,455,485	$ 1,227,304	$ 1,681,082	$ 1,193,024	$ 1,469,944	$ 1,469,944	

Village of McFarland Tax Incremental District No. 3

Detailed Schedule of Capital Expenditures and Developer Payments
From the Date of Creation Through December 31, 2021

	Actual	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	706,412	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	3,134,143	5,000,000
Land acquisition, relocation, demolition	140,050	2,500,000
Total capital expenditures	$ 6,597,199	$ 14,639,818

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #4.**

PREVIOUS ACTION:

ISSUE SUMMARY:

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion to accept the 2021 Annual Report for Tax Increment District #4.

ATTACHMENTS:
1. McFarland JRB Memo_2021 TID#4 Annual Reports_06.28.22
2. 13154-TID004-Annual Report-2021
3. Village of McFarland TIF No 4 Report - FINAL

VILLAGE OF McFarland
Community & Economic Development
www.mcfarland.wi.us/communityandeconomicdevelopment | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3154

Memorandum

To: McFarland Joint Review Board (JRB), Tax Increment Districts #4
Cc: McFarland Community Development Authority

From: Andrew Bremer, Community & Economic Development Director

Date: June 28, 2022

Re: 2021 Annual Report for TID #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 of each TIF District 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 and WDOR PE-300 forms prepared for the year.

TID #4 2020 Annual Report

TID #4 was created as a post 1995 Blight TID on January 14, 2008. In 2015 the Village requested, and the Department of Revenue approved, a Base Value Redetermination (BVR) of the District. The BVR adjusted the expenditure period deadline to January 14, 2028 and the termination date to January 14, 2033. The TID is 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 due to negative assessment growth caused by the Great Recession. This has contributed to its financial health as it has historically had very little revenue to offset operating costs from year to year. The 2021 Tax Increment Value of the District was $5,033,600, up from 4,701,700 in 2020. The expenses for this TID to date have been supported by advances from TID #3 and debt service (which was paid by the advances). In 2021 the TID posted its first positive year-end fund balance of $223,674. This was due to the Village converting the balance of TID #3 advances into a donation to TID #4. In 2021, the TID collected $97,962 in tax increment, up from $86,635 the prior year, and anticipated to increase to $101,952 in 2022. The District still has about $5.8M 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.

2021 New Project/Development Highlights:

1. 5817 Milwaukee Street. The Village acquired this property across from the Library and Municipal Center in 2020 and razed the prior single family home in 2021. During the pandemic the lot has been utilized by the adjacent Library for outdoor programming space. Long-term, the Village is considering construction of a public parking lot at this location to support future expansion needs of the Library and potential renovation of the Municipal Center to include a multi-generational community center in the space to be vacated by the Fire & Rescue and Police Departments as the

Village is currently constructing a new facility for these departments. The site could also be utilized for future mixed-use development if it is deemed to be not needed for parking purposes.

2. 5411 Bashford Street. The Village approved a development agreement with a local business to construct a new mixed-use development on this vacant property that was previously purchased by the Village for blight removal purposes. The development consists of a 2,500 square foot commercial business and four residential units. The development is currently under construction and is expected to add ~$1.1M in tax value to the TID as of January 1, 2023.

Exhibits: Form PE 300
Compiled Financial Statements of TID #4 prepared by Baker Tilly

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code 13154	Municipality MCFARLAND		County DANE	Due date 07/01/2022	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	$-232,876

Section 3 - Revenue		Amount
Tax increment		$97,962
Investment income		$220
Debt proceeds		$0
Special assessments		$0
Shared revenue		$12,055
Sale of property		$0
Allocation from another TID		
TID number	003	$440,957
Developer guarantees		
Developer name	McFarland House Cafe and O'Hearn Ventures	$1,121
Transfer from other funds		
Grants		
Other revenue		
Total Revenue (deposits)		$552,315

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 4 - Expenditures	Amount
Capital expenditures	$3,472
Administration	$30,010
Professional services	$28,213
Interest and fiscal charges	$3,920
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	
Developer name None	$0
Transfer to other funds	
Other expenditures	
Total Expenditures	**$95,765**

Section 5 - Ending Balance	Amount
TID fund balance at end of year	**$223,674**
Future costs	**$14,173,592**
Future revenue	**$16,514,916**
Surplus or deficit	**$2,564,998**

Section 6 - Preparer/Contact Information	
Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.us**	Preparer phone **(608) 838-3154**
Contact name **Matt Schuenke**	Contact title **Village Administrator**
Contact email **matt.schuenke@mcfarland.wi.us**	Contact phone **(608) 838-2303**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Submission Information	
Co-muni code	13154
TID number	004
Submission date	06-28-2022 01:47 PM
Confirmation	TIDAR20210383O1656442041782
Submission type	ORIGINAL

bakertilly

Village of McFarland
Tax Incremental District No. 4

Financial Statements and
Supplementary Information

December 31, 2021

Table of Contents
December 31, 2021

Accountants' Compilation Report

To the Village Board of
Village of McFarland

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, 2021 and from the date of creation through December 31, 2021, 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, 2021, 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.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

Village of McFarland Tax Incremental District No. 4

Balance Sheet
December 31, 2021

		Capital Projects Fund
Assets		
Cash and investments	$	164,394
Tax receivable		101,952
Loans receivable		59,311
Total assets	$	325,657
Liabilities, Deferred Inflows of Resources and Fund Balance		
Liabilities		
Accounts payable	$	31
Total liabilities		31
Deferred Inflows of Resources		
Unearned revenue		101,952
Total deferred inflows of resources		101,952
Fund Balance		
Unassigned		223,674
Total liabilities, deferred inflows of resources and fund balance	$	325,657

See notes to financial statement

Village of McFarland Tax Incremental District No. 4

Historical Summary of Project Costs, Project Revenues and Net Cost to Be Recovered Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ 3,472	$ 964,842
Developer payments	-	592,500
Administration (in-house)	30,160	389,241
Professional services	28,213	152,267
Interest on advance	-	18,580
Interest and fiscal charges	3,920	109,276
Total project costs	65,765	2,226,706
Project Revenues		
Tax increments	97,962	398,088
Developer guarantees	1,121	1,121
Exempt computer aid	12,055	30,143
Subsidy from TIF No. 3	440,957	1,827,139
Investment income	220	1,831
Loan payments	-	26,250
Miscellaneous	-	1,522
Debt premium	-	9,286
Total project revenues	552,315	2,295,380
Net costs recoverable through tax increments, December 31, 2021	$ (486,550)	$ (68,674)
Reconciliation of Recoverable Costs		
G.O. debt outstanding		$ 155,000
Add deficit fund balance		(223,674)
Net costs recoverable through tax increments, December 31, 2021		$ (68,674)

See notes to financial statements

Village of McFarland Tax Incremental District No. 4

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 97,962	$ 398,088
Developer guarantees	1,121	1,121
Exempt computer aid	12,055	30,143
Subsidy from TIF No. 3	440,957	1,827,139
Investment income	220	1,831
Loan payments	-	26,250
Miscellaneous	-	1,522
Debt premium	-	9,286
Long-term debt issued	-	545,000
Total sources of funds	552,315	2,840,380
Uses of Funds		
Capital expenditures	3,472	964,842
Developer payments	-	592,500
Administration (in-house)	30,160	389,241
Professional services	28,213	152,267
Interest on advance	-	18,580
Interest and fiscal charges	3,920	109,276
Principal on long term debt	30,000	390,000
Total uses of funds	95,765	2,616,706
Excess of sources of funds over uses of funds	456,550	223,674
Fund Balance (Deficit), Beginning	(232,876)	-
Fund Balance, Ending	$ 223,674	$ 223,674

See notes to financial statements

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.

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

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.

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.

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.

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.

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.

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.

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.

3. Long Term Debt

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 12/31/21
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	120,000	155,000
Total				$ 545,000	$ 390,000	$ 155,000

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

Year	Principal	Interest	Total
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
Total	$ 155,000	$ 9,925	$ 164,925

4. Advances From Village Funds

TIF District No. 3 is no longer advancing funds to TIF District No. 4. As of December 31, 2016 the village forgave all advances to TIF No. 4 with the exception of $500,000. This $500,000 represented the developer payment made in 2016 for Farwell Place. In 2017, a repayment schedule was established for the advance. Payments began in 2018 with interest. TIF District No. 3 was charging the TIF District interest on the advance based on the average outstanding advance balance during the year at a floating interest rate. As of December 31, 2021, the outstanding portion of this advance amounting to $353,944 was forgiven by TIF No. 3. An additional advance, amounting to $47,763, was also forgiven by TIF No. 3 in 2021 (See Note 6). No interest was charged on this additional advance to TIF No. 4.

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 through 2021.

In 2020, the Village of McFarland has entered into a developer agreement with McFarland House Café (MHC) and O'Hearn Ventures. Under this agreement, TIF No. 4 will provide economic development assistance in the form of a loan in an amount up to $50,000 upon certain conditions being satisfied by MHC. The agreement guarantees that MHC shall pay the difference between the guaranteed tax increment and the tax increment actually levied for the tax year commencing January 1, 2021. During 2021, O'Hearn Ventures made a payment of $1,121 to the Village.

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. 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 $1,827,139.

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

Village of McFarland Tax Incremental District No. 4

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2007	2008	2009	2010	2011	2012	2013	2014	2015
Sources of Funds									
Tax increments	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Developer guarantees	-	-	-	-	-	-	-	-	-
Exempt computer aid	-	-	-	730	511	822	789	1,018	1,595
Subsidy from TIF No. 3	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	-	-	-	-	323
Loan payments	-	-	-	-	-	-	-	4,375	4,375
Miscellaneous	-	-	-	-	136,892	-	-	-	-
Debt premium	-	5,534	-	-	-	-	-	-	-
Long-term debt issued	-	270,000	-	-	-	-	-	-	-
Total sources of funds	-	275,534	-	730	137,403	822	789	5,393	6,293
Uses of Funds									
Capital expenditures	14,472	318,700	30,260	-	-	-	-	-	-
Developer payments	-	-	67,500	-	-	-	-	-	-
Administration (in-house)	-	-	29,385	32,026	32,709	31,954	32,415	32,958	37,942
Professional services	178	22,003	11,309	11,018	2,118	4,135	2,425	2,027	10,208
Interest on advance	-	1,668	789	555	440	598	445	416	802
Interest and fiscal charges	-	5,534	11,029	11,475	11,475	11,475	10,413	9,350	7,650
Principal on long-term debt	-	-	-	-	-	25,000	25,000	40,000	40,000
Total uses of funds	14,650	347,905	150,272	55,074	46,742	73,162	70,698	84,751	96,602
Excess (deficiency) of sources of funds over uses of funds	(14,650)	(72,371)	(150,272)	(54,344)	90,661	(72,340)	(69,909)	(79,358)	(90,309)
Fund Balance (Deficit), Beginning	-	(14,650)	(87,021)	(237,293)	(291,637)	(337,868)	(410,208)	(480,117)	(559,475)
Fund Balance (Deficit), Ending	$ (14,650)	$ (87,021)	$ (237,293)	$ (291,637)	$ (200,976)	$ (410,208)	$ (480,117)	$ (559,475)	$ (649,784)

Village of McFarland Tax Incremental District

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2016	2017	2018	2019	2020	2021	Total	Project Plan Estimate
Sources of Funds								
Tax increments	$ -	$ 35,522	$ 84,834	$ 93,135	$ 86,635	$ 97,962	$ 398,088	$ 7,758,702
Developer guarantees	-	-	-	-	-	1,121	1,121	-
Exempt computer aid	1,585	1,354	1,374	1,407	6,903	12,055	30,143	-
Subsidy from TIF No. 3	843,658	-	245,470	79,213	217,841	440,957	1,827,139	4,373,416
Investment income	-	-	-	677	611	220	1,831	-
Loan payments	4,375	4,375	8,750	-	-	-	26,250	58,576
Miscellaneous	-	-	1,300	-	222	-	1,522	-
Debt premium	-	3,752	-	-	-	-	9,286	5,534
Long-term debt issued	-	275,000	-	-	-	-	545,000	7,159,068
Total sources of funds	849,618	320,003	341,728	174,432	312,212	552,315	2,840,380	19,355,296
Uses of Funds								
Capital expenditures	-	240,187	206,019	14,840	136,892	3,472	964,842	1,720,000
Developer payments	500,000	25,000	-	-	-	-	592,500	5,600,000
Administration (in-house)	35,971	31,563	16,247	21,492	24,419	30,160	389,241	929,883
Professional services	7,454	14,410	21,848	1,620	13,301	28,213	152,267	-
Interest on advance	4,485	-	4,519	2,043	1,820	-	18,580	4,911
Interest and fiscal charges	5,950	3,639	7,576	5,195	4,595	3,920	109,276	1,376,436
Principal on long-term debt	140,000	-	30,000	30,000	30,000	30,000	390,000	7,159,068
Total uses of funds	693,860	314,799	286,209	75,190	211,027	95,765	2,616,706	16,790,298
Excess (deficiency) of sources of funds over uses of funds	155,758	5,204	55,519	99,242	101,185	456,550	223,674	
Fund Balance (Deficit), Beginning	(649,784)	(494,026)	(488,822)	(433,303)	(334,061)	(232,876)	-	
Fund Balance (Deficit), Ending	$ (494,026)	$ (488,822)	$ (433,303)	$ (334,061)	$ (232,876)	$ 223,674	$ 223,674	

Village of McFarland Tax Incremental District No. 4

Detailed Schedule of Capital Expenditures and Developer Payments
From the Date of Creation Through December 31, 2021

	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	136,892	250,000
Redevelopment funding	592,500	5,600,000
Administration, planning and legal	56,276	150,000
Total capital expenditures	$ 1,557,342	$ 7,320,000

VILLAGE OF
McFarland

SUMMARY SHEET

MEETING DATE: **Wednesday, July 13, 2022**

SECTION: **Business**

DEPARTMENT: **Community Development**

CONTACT: **Andrew Bremer, Comm & Eco Dev Director**

AGENDA ITEM: **Discussion and possible action to accept the 2021 Annual Report for Tax Increment District #5.**

PREVIOUS ACTION:

ISSUE SUMMARY:

FINANCIAL/BUDGET IMPACT:

VILLAGE PLAN REFERENCE:

ORDINANCE REFERENCE:

BOARD, COMMISSION OR COMMITTEE RECOMMENDATION:
Motion to accept the 2021 Annual Report for Tax Increment District #4.

ATTACHMENTS:
1. McFarland JRB Memo_2021 TID#5 Annual Reports_06.28.22
2. 13154-TID005-Annual Report-2021
3. Village of McFarland TIF No 5 Report - FINAL

VILLAGE OF McFarland
Community & Economic Development
www.mcfarland.wi.us/communityandeconomicdevelopment | 5915 Milwaukee St, McFarland, WI 53558 | 608.838.3154

Memorandum

To: McFarland Joint Review Board (JRB), Tax Increment Districts #5
Cc: McFarland Community Development Authority

From: Andrew Bremer, Community & Economic Development Director

Date: June 28, 2022

Re: 2021 Annual Report for TID #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 of each TIF District 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 and WDOR PE-300 forms prepared for the year.

TID #5 2020 Annual Report

TID #5 was created on December 11, 2017 as a Rehabilitation and Conservation District. It is scheduled to expire in 2045 and not presently forecasted for closure prior to this date. The 2021 Tax Increment Value of the District was $9,961,000, up from $2,204,700 in 2020. The year-end fund balance within the District is ($562,507). This is primarily related to initial investments in the acquisition and redevelopment of 4719 Farwell Street. In 2021, the TID collected $45,936 in tax increment, up from $17,708 the prior year, and anticipated to increase to $201,753 in 2022. The District still has about $14.6M 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.

2021 New Project/Development Highlights:

1. 4719 Farwell Street. The first major project for the District was the acquisition and redevelopment of 4719 Farwell Street. The first phase of this redevelopment project was completed in 2020 and consists of a 47-unit apartment building with two ground floor commercial spaces. The full value for this first phase (~$4.6M) was achieved as of January 1, 2022. The second phase for the project will be a standalone 12,000 square foot multi-tenant commercial building. Development of the second phase has been slowed due to the pandemic; however, the developers are currently seeking zoning approvals and are expected to break ground in the Fall of 2022 with completion of the building in Spring of 2023. Phase 2 is anticipated to add an additional ~$1.9M in tax value to the District.
2. 4706 Farwell Street. A small expansion of Angelo's Restaurant was approved in 2020, with construction completed in 2021. This project did not include TID incentives and will add additional tax increment to the TID in 2023.

3. 5610-14 US Highway 51. A new 5,000 square foot multi-tenant commercial building was approved in 2020, with construction completed in May of 2021. This project did not include TID incentives and will add ~$800K in value to the District with tax increment collection beginning in 2023.

Exhibits: Draft Form PE 300
Compiled Financial Statements of TID #5 prepared by Baker Tilly

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Section 1 - Municipality and TID					
Co-muni code **13154**	Municipality **MCFARLAND**		County **DANE**	Due date **07/01/2022**	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	**$-539,083**

Section 3 - Revenue	Amount
Tax increment	$45,936
Investment income	$0
Debt proceeds	$0
Special assessments	$0
Shared revenue	$0
Sale of property	$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	**$45,936**

Section 4 - Expenditures	Amount
Capital expenditures	$0
Administration	$27,324
Professional services	$14,231
Interest and fiscal charges	$27,655
DOR fees	$150
Discount on long-term debt	$0
Debt issuance costs	$0
Principal on long-term debt	$0
Environmental costs	$0
Real property assembly costs	$0
Allocation to another TID	
Developer grants	
Developer name The Atwater and Lakestone Holdings	$0
Transfer to other funds	
Other expenditures	
Total Expenditures	**$69,360**

Section 5 - Ending Balance	Amount
TID fund balance at end of year	**$-562,507**
Future costs	**$37,182,841**
Future revenue	**$43,719,200**
Surplus or deficit	**$5,973,852**

Section 6 - Preparer/Contact Information	
Preparer name **Andrew Bremer**	Preparer title **Community & Economic Development Director**
Preparer email **andrew.bremer@mcfarland.wi.us**	Preparer phone **(608) 838-3154**
Contact name **Matt Schuenke**	Contact title **Village Administrator**
Contact email **matt.schuenke@mcfarland.wi.us**	Contact phone **(608) 838-2303**

Form PE-300	TID Annual Report	2021 WI Dept of Revenue

Submission Information	
Co-muni code	13154
TID number	005
Submission date	06-28-2022 01:52 PM
Confirmation	TIDAR20210383O1656442346954
Submission type	ORIGINAL

Village of McFarland
Tax Incremental District No. 5

Financial Statements and
Supplementary Information

December 31, 2021

Table of Contents
December 31, 2021

bakertilly

Accountants' Compilation Report

To the Village Board of
Village of McFarland

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, 2021 and from the date of creation through December 31, 2021, 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, 2021, 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.

Baker Tilly US, LLP

Madison, Wisconsin
June 29, 2022

Village of McFarland Tax Incremental District No. 5

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Taxes receivable	$ 201,753
Total assets	$ 201,753
Liabilities and Fund Balance	
Liabilities	
Accounts payable	$ 30
Advance from other fund	562,477
Total liabilities	562,507
Deferred Inflows of Resources	
Unearned revenue	201,753
Total deferred inflows of resources	201,753
Fund Balance	
Unassigned (deficit)	(562,507)
Total fund balances	(562,507)
Total liabilities, deferred inflows of resources and fund balances	$ 201,753

See notes to financial statements

Village of McFarland Tax Incremental District No. 5

Historical Summary of Project Costs, Project Revenues and Net Cost to Be Recovered Through Tax Increments
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Project Costs		
Capital expenditures	$ -	$ 1,306,783
Developer payments	-	350,000
Administration (in-house)	27,474	66,865
Professional services	14,231	80,605
Interest and fiscal charges	27,655	129,372
Total project costs	69,360	1,933,625
Project Revenues		
Tax increments	45,936	63,644
Intergovernmental	-	250,222
Rent	-	59,580
Debt premium	-	2,672
Total project revenues	45,936	376,118
Net cost recoverable (recovered) through TIF increments, December 31, 2021	$ 23,424	$ 1,557,507
Reconciliation of Recoverable Costs		
G.O. debt outstanding		$ 995,000
Less fund balance		562,507
Net cost recoverable through TIF increments, December 31, 2021		$ 1,557,507

See notes to financial statements

Village of McFarland Tax Incremental District No. 5

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2021 and From the Date of Creation Through December 31, 2021

	Year Ended	From Date of Creation
Sources of Funds		
Tax increments	$ 45,936	$ 63,644
Intergovernmental	-	250,222
Rent	-	59,580
Debt premium	-	2,672
Long-term debt issued	-	1,925,000
Total sources of funds	45,936	2,301,118
Uses of Funds		
Capital expenditures	-	1,306,783
Developer payments	-	350,000
Administration (in-house)	27,474	66,865
Professional services	14,231	80,605
Interest and fiscal charges	27,655	129,372
Principal on long-term debt	-	930,000
Total uses of funds	69,360	2,863,625
Excess (deficiency) of sources of funds over uses of funds	(23,424)	(562,507)
Fund Balance (Deficit), Beginning	(539,083)	-
Fund Balance (Deficit), Ending	$ (562,507)	$ (562,507)

See notes to financial statements

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.

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

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.

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.

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.

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.

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.

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.

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.

3. Long Term Debt

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 Indebted-ness	Repaid	Balance 12/31/21
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
Total				$ 1,925,000	$ 930,000	$ 995,000

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

Year	Principal	Interest	Total
2022	$ 50,000	$ 26,655	$ 76,655
2023	50,000	25,605	75,605
2024	50,000	24,505	74,505
2025	50,000	23,355	73,355
2026	50,000	22,205	72,205
2027-2031	280,000	90,338	370,338
2032-2036	325,000	46,482	371,482
2037-2035	140,000	4,270	144,270
Total	$ 995,000	$ 263,415	$ 1,258,415

4. Advances From Village Funds

In 2019, TIF No. 3 advanced $147,635 to TIF No. 5. In 2020, the amount of the advance to TIF No. 5 increased to $189,083. In 2021, the amount of the advance to TIF No. 5 increased to $212,477. No repayment schedule has been established and no interest was charged on the advance. In 2020, TIF No. 3 advanced an additional $350,000 to TIF No. 5. A repayment schedule has not been established for this advance and no interest was charged. The outstanding portion of this advance was $350,000 as if December 31, 2021.

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. Lakestone Holdings, LLC drew on the loan for the full amount in 2020.

Village of McFarland Tax Incremental District No. 5

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2021

	2018	2019	2020	2021	Total	Project Plan Estimate
Sources of Funds						
Tax increments	$ -	$ -	$ 17,708	$ 45,936	$ 63,644	$ 29,747,490
Intergovernmental	-	-	250,222	-	250,222	-
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	267,930	45,936	2,301,118	46,020,318
Uses of Funds						
Capital expenditures	1,056,783	-	250,000	-	1,306,783	3,450,000
Developer payments	-	-	350,000	-	350,000	12,782,389
Administration (in-house)	900	17,547	20,944	27,474	66,865	104,500
Professional services	25,862	34,588	5,924	14,231	80,605	104,500
Interest on advance	-	-	-	-	-	1,193,883
Interest and fiscal charges	3,500	65,707	32,510	27,655	129,372	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	659,378	69,360	2,863,625	40,046,466
Excess (deficiency) of sources of funds over uses of funds	(136,762)	(10,873)	(391,448)	(23,424)	(562,507)	
Fund Balance (Deficit), Beginning	-	(136,762)	(147,635)	(539,083)	-	
Fund Balance (Deficit), Ending	$ (136,762)	$ (147,635)	$ (539,083)	$ (562,507)	$ (562,507)	

Village of McFarland Tax Incremental District No. 5

Detailed Schedule of Capital Expenditures and Developer Payments
From the Date of Creation Through December 31, 2021

	Actual	Project Plan Estimate
Capital Expenditures		
Infrastructure, Farwell, Retention Pond, Blackwater Channel	$ 1,170,809	$ 3,050,000
Streetscaping improvements	135,974	400,000
Development funds/incentives	350,000	12,782,389
Total capital expenditures	$ 1,656,783	$ 16,232,389