

**City of Madison
Tax Incremental District No. 36**

Financial Statements and
Supplementary Information

December 31, 2022

City of Madison Tax Incremental District No. 36

Table of Contents
December 31, 2022

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Tax Incremental District No. 36 - Balance Sheet	4
Tax Incremental District No. 36 - Historical Summary of Project Costs, Project Revenues and Net Cost Recovered Through Tax Increments	5
Tax Incremental District No. 36 - Historical Summary of Sources, Uses and Status of Funds	6
Notes to Financial Statements	7
Supplementary Information	
Tax Incremental District No. 36 - Detailed Schedule of Sources, Uses and Status of Funds	12
Tax Incremental District No. 36 - Detailed Schedule of Capital, Administration and Professional Services Expenditures and Developer Payments	14
Independent Auditors' Report on Other Legal and Regulatory Requirements	15

Independent Auditors' Report

To the Common Council of
City of Madison

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost Recovered Through Tax Increments and Historical Summary of Sources, Uses and Status of Funds of the City of Madison's Tax Incremental District No. 36 (the District) as of December 31, 2022 and from the date of creation through December 31, 2022, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District and the net project costs recovered through tax increments as of December 31, 2022 and the sources, uses and status of funds from the date of creation through December 31, 2022, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the transactions of City of Madison's Tax Incremental District No. 36 and do not purport to, and do not, present fairly the financial position of the City of Madison, Wisconsin, as of December 31, 2022, and the changes in 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. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the City of Madison's Tax Incremental District No. 36's financial statements. 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. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the financial statements as a whole.

Report on Other Legal and Regulatory Requirements

We have also issued our report dated July 19, 2023 on our tests of its compliance with Wisconsin State Statutes Section 66.1105. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance.

Baker Tilly US, LLP

Madison, Wisconsin
July 19, 2023

City of Madison Tax Incremental District No. 36

Balance Sheet
December 31, 2022

	Capital Projects Fund
Assets	
Cash and investments	\$ 13,148,231
Taxes receivable	9,997,416
Prepaid items	136
	<hr/>
Total assets	<u><u>\$ 23,145,783</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accrued liabilities	\$ 1,590
	<hr/>
Deferred Inflows of Resources	
Unearned revenue	9,997,416
	<hr/>
Fund Balance	
Restricted	13,146,777
	<hr/>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 23,145,783</u></u>

See notes to financial statements

City of Madison Tax Incremental District No. 36

Historical Summary of Project Costs, Project Revenues
and Net Cost Recovered Through Tax Increments
From the Date of Creation Through December 31, 2022

Project Funds

Capital expenditures	\$ 22,255,387
Administration	1,175,295
Professional services	1,273,701
Developer payments	14,232,000
Debt issuance costs	131,834
Interest on advances	33,269
Contribution to TID No. 42	4,000,000
Interest on long-term debt	3,810,263

Total project costs 46,911,749

Project Revenues

Tax increments	46,012,248
Exempt computer aid	898,732
Personal property aid	124,684
Grant revenue	679,125
Investment income	715,672
Sale of land	4,123,854
Long-term debt premium	124,220
Miscellaneous income	111,400

Total project revenues 52,789,935

Net cost recoverable through
tax increments, December 31, 2022 \$ (5,878,186)

Reconciliation of Recovered Costs

G.O. debt	\$ 7,268,591
Less fund balance	<u>(13,146,777)</u>

Net cost recoverable through
tax increments, December 31, 2022 \$ (5,878,186)

City of Madison Tax Incremental District No. 36

Historical Summary of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2022

Sources of Funds

Tax increments	\$ 46,012,248
Exempt computer aid	898,732
Personal property aid	124,684
Grant revenue	679,125
Investment income	715,672
Sale of land	4,123,854
Miscellaneous income	111,400
Long-term debt premium	124,220
Long-term debt issued	<u>33,394,716</u>

Total sources of funds 86,184,651

Uses of Funds

Capital expenditures	22,255,387
Administration	1,175,295
Professional services	1,273,701
Developer payments	14,232,000
Debt issuance costs	131,834
Interest on advances	33,269
Contribution to TID No. 42	4,000,000
Principal on long-term debt	26,126,125
Interest on long-term debt	<u>3,810,263</u>

Total uses of funds 73,037,874

Fund balance, December 31, 2022 \$ 13,146,777

City of Madison Tax Incremental District No. 36

Notes to Financial Statements
December 31, 2022

1. Summary of Significant Accounting Policies

The accounting policies of the City of Madison's Tax Incremental District No. 36 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Madison (the City) 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. 36. The accompanying financial statements reflect all the significant operations of the City of Madison's Tax Incremental District No. 36. The accompanying financial statements do not include the full presentation of the City of Madison.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the City of Madison's Tax Incremental District No. 36. The summary statements were prepared from data recorded in the following City of Madison funds and 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 City of Madison's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the 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 City of Madison. Project costs may be incurred up to five years before the unextended termination date of the District.

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 36	January 1, 2005	September 6, 2027	2033
	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
Plan Amendment 1	May 1, 2012	September 6, 2027	2033
Plan Amendment 2	June 21, 2016	September 6, 2027	2033
Plan Amendment 3	March 16, 2021	September 6, 2027	2033
Plan Amendment 4	May 24, 2022	September 6, 2027	2033

City of Madison Tax Incremental District No. 36

Notes to Financial Statements
December 31, 2022

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable or when the District is entitled to the aids.

Other general revenues are recognized when received in cash or when measurable and available under the criteria described above.

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 amount 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 as nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

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.

City of Madison Tax Incremental District No. 36

Notes to Financial Statements
December 31, 2022

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 City of Madison, maintains separate and common cash and investment accounts at the same financial institutions utilized by the City of Madison. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the City of Madison 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 bonds and notes payable are backed by the full faith and credit of the City of Madison. Notes and bonds borrowed to finance District expenditures will be retired by tax increments accumulated by the District capital projects fund. If those revenues are not sufficient, payments will be made by future tax levies.

<u>Title of Issue</u>	<u>Date of Issue</u>	<u>Due Date</u>	<u>Interest Rate</u>	<u>Original Indebtedness</u>	<u>Repaid</u>	<u>Balance 12-31-22</u>
G.O. Promissory Notes	10-19-10	10-01-20	3.00-4.00 %	\$ 1,423,000	\$ 1,423,000	\$ -
G.O. Promissory Notes	10-01-11	10-01-21	3.00-5.00	2,645,000	2,645,000	-
G.O. Promissory Notes	10-01-11	10-01-21	0.45-2.70	2,492,460	2,492,460	-
G.O. Promissory Notes	10-01-12	10-01-22	0.40-2.125	5,122,440	5,122,440	-
G.O. Promissory Bonds	10-01-13	10-01-23	1.50-4.00	1,060,000	1,060,000	-
G.O. Promissory Bonds	10-01-14	10-01-24	2.00-5.00	1,200,000	1,200,000	-
G.O. Promissory Bonds	10-01-14	10-01-24	2.00-3.05	4,417,000	4,417,000	-
G.O. Promissory Bonds	10-19-16	10-01-26	2.00	5,060,284	3,042,554	2,017,730
G.O. Promissory Notes	10-19-17	10-01-27	2.15-2.65	8,076,084	4,038,042	4,038,042
G.O. Promissory Bonds	10-15-21	10-01-24	3.65-4.00	1,898,448	685,629	1,212,819
Total				<u>\$ 33,394,716</u>	<u>\$ 26,126,125</u>	<u>\$ 7,268,591</u>

City of Madison Tax Incremental District No. 36

Notes to Financial Statements
December 31, 2022

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

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
Calendar Year:			
2023	\$ 1,983,586	\$ 142,505	\$ 2,126,091
2024	1,855,088	113,126	1,968,214
2025	1,311,154	81,924	1,393,078
2026	1,311,154	52,067	1,363,221
2027	807,609	21,401	829,010
Total	<u>\$ 7,268,591</u>	<u>\$ 411,023</u>	<u>\$ 7,679,614</u>

4. Advances From City General Fund

The general fund advances funds to the District when the District is in a negative cash position. The general fund charges the District interest on the advance based on the outstanding advance balance at the end of the year at a rate based on the cost of funds to the City of Madison. There was no advance outstanding as of December 31, 2022.

5. Guaranteed Revenue

The City of Madison has entered into a development agreement with The Constellation Project, LLC. The agreement guarantees that The Constellation Project, LLC shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation shall terminate when the City of Madison has collected from the tax increment generated from the District or been paid under this agreement the full amount of the project costs of not less than \$3,432,000. The City of Madison has entered into similar agreement with Gebhardt Galaxie, LLC in the amount of \$5,850,000, with SHD, Inc. 1010 Residential, LLC and 1010 Commercial, LLC in the amount of \$2,885,000 and with SHD, Inc. in the amount of \$565,000.

6. Tax Abatements

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

City of Madison Tax Incremental District No. 36

Notes to Financial Statements

December 31, 2022

The City of Madison, through its Tax Incremental Financing Districts (TIDs), has entered into tax abatement agreements with developers in the form of tax incremental financing incentives to stimulate economic development. The abatements are authorized through the TIF project plans. The City of Madison disburses loans to developers. The developer guarantees a certain amount of increment each year. The developers pay property taxes as they become due and if they generate the guaranteed increment, an equal amount of loan balance is forgiven. It is anticipated that these loans will be forgiven and therefore an allowance of \$200,000 has been established for the entire amount of outstanding loans. Details of loans disbursed and forgiven are as follows:

<u>Developer Name</u>	<u>Loans Disbursed as of 12-31-2021</u>	<u>Loans Forgiven as of 12-31-2021</u>	<u>Loans Disbursed During 2022</u>	<u>Loans Forgiven During 2022</u>	<u>Balance Remaining as of 12-31-22</u>
Constellation Project LLC	\$ 3,432,000	\$ 3,432,000	\$ -	\$ -	\$ -
Gebhardt Galaxie, LLC	4,417,000	3,300,000	-	1,117,000	-
Gebhardt Galaxie LLC	1,433,000	480,000	-	953,000	-
SHD Inc., 1010 Residential, LLC and 1010 Commercial, LLC	2,885,000	961,000	-	1,924,000	-
SHD, Inc.	565,000	265,000	-	100,000	200,000
Total	<u>\$ 12,732,000</u>	<u>\$ 8,438,000</u>	<u>\$ -</u>	<u>\$ 4,094,000</u>	<u>\$ 200,000</u>

7. Developer Grants

The City of Madison has entered into a development agreement with Starting Block Madison, Inc. (the Recipient). Under the agreement, the City will provide financial assistance in the amount of \$1,500,000 to the Recipient to build out of its tenant space in a building. The District disbursed entire amount of the grant in 2017.

8. Increment Sharing

As allowable under TIF statutes, the City of Madison may share positive TIF increments. In 2022, the common council and joint review board approved sharing increments from TIF District No. 36 (Donor District) to TIF District No. 42 (Donee District). Transfers will be reflected as recoverable costs in the Donor District and as project revenues in the Donee District. During 2022, a contribution of \$4,000,000 was disbursed by TIF District No. 36.

9. Subsequent Event

In March 2023, the City of Madison approved a fifth amendment to the District's project plan to increase the project plan cost estimate by \$5 million and approving contributions to TIF District No. 42 and TIF District No. 51 in the amount of \$50 million.

City of Madison Tax Incremental District No. 36

Detailed Schedule of Sources, Uses and Status of Funds
 From the Date of Creation Through December 31, 2022

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Sources of Funds									
Tax increments	\$ -	\$ -	\$ 164,795	\$ 319,347	\$ 411,150	\$ 486,392	\$ 461,843	\$ 454,261	\$ 517,762
Exempt computer aid	-	-	16,191	19,057	19,284	25,698	25,791	26,132	78,242
Personal property aid	-	-	-	-	-	-	-	-	-
Grant revenue	-	-	-	-	-	-	-	50,311	628,814
Investment income	527	-	-	2,052	8,888	9,862	6,091	10,533	19,565
Sale of Land	-	-	-	-	-	-	-	-	-
Miscellaneous income	39,077	250	-	-	-	-	-	17,161	7,387
Long-term debt premium	-	-	-	-	-	-	-	-	-
Long-term debt issued	-	-	-	-	-	1,423,000	3,867,460	6,392,440	1,060,000
Total sources of funds	39,604	250	180,986	340,456	439,322	1,944,952	4,361,185	6,950,838	2,311,770
Uses of Funds									
Capital expenditures	-	-	6,545	66,055	61,159	1,578	4,161,607	119,573	2,694,895
Administration	149,918	66,160	19,879	33,701	33,458	74,735	109,168	177,027	134,233
Professional services	-	22,621	1,300	8,822	122,067	282,187	289,429	175,051	166,325
Developer payments	-	-	-	-	-	-	-	3,432,000	-
Debt issuance costs	-	-	-	-	-	-	-	32,866	-
Interest on advances	-	6,867	6,272	-	-	-	13,222	5,541	-
Contribution to TID No. 42	-	-	-	-	-	-	-	-	-
Principal on long-term debt	-	-	-	-	-	-	142,768	657,071	1,169,537
Interest on long-term debt	-	-	-	-	-	-	27,259	183,895	263,304
Total uses of funds	149,918	95,648	33,996	108,578	216,684	358,500	4,743,453	4,783,024	4,428,294

City of Madison Tax Incremental District No. 36

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2022

	2014	2015	2016	2017	2018	2019	2020	2021	2022	Total	Project Plan Estimate
Sources of Funds											
Tax increments	\$ 815,939	\$ 1,669,831	\$ 1,392,713	\$ 2,282,770	\$ 2,001,603	\$ 7,933,366	\$ 7,489,133	\$ 9,217,211	\$ 10,394,132	\$ 46,012,248	\$ 58,005,000
Exempt computer aid	74,933	80,299	66,843	75,548	76,659	78,513	78,514	78,514	78,514	898,732	-
Personal property aid	-	-	-	-	-	14,926	31,171	47,416	31,171	124,684	-
Grant revenue	-	-	-	-	-	-	-	-	-	679,125	-
Investment income	14,810	19,354	12,962	50,065	123,713	127,441	65,919	33,420	210,470	715,672	-
Sale of fixed assets	3,112,501	-	-	1,566,853	-	-	-	-	(555,500)	4,123,854	-
Miscellaneous income	19,886	26,822	589	228	-	-	-	-	-	111,400	-
Long-term debt premium	36,664	-	87,556	-	-	-	-	-	-	124,220	-
Long-term debt issued	5,617,000	-	5,060,284	8,076,084	-	-	-	1,898,448	-	33,394,716	20,222,000
Total sources of funds	9,691,733	1,796,306	6,620,947	12,051,548	2,201,975	8,154,246	7,664,737	11,275,009	10,158,787	86,184,651	78,227,000
Uses of Funds											
Capital expenditures	1,010,033	296,262	302,428	-	8,001,900	2,838	406,054	58,320	5,066,140	22,255,387	30,420,000
Administration	126,912	47,084	84,161	22,495	19,849	14,468	18,838	19,886	23,323	1,175,295	1,574,000
Professional services	89,816	91,762	13,928	1,838	1,625	1,130	2,000	2,000	1,800	1,273,701	-
Developer payments	4,417,000	1,433,000	2,885,000	2,065,000	-	-	-	-	-	14,232,000	16,450,000
Debt issuance costs	30,312	-	30,618	38,038	-	-	-	-	-	131,834	-
Interest on advances	1,367	-	-	-	-	-	-	-	-	33,269	-
Contribution to TID No. 42	-	-	-	-	-	-	-	-	4,000,000	4,000,000	4,000,000
Principal on long-term debt	1,275,601	1,837,815	1,837,699	2,343,528	3,150,189	3,150,188	3,150,188	4,900,641	2,510,900	26,126,125	20,222,000
Interest on long-term debt	281,384	400,175	359,398	411,060	534,390	466,982	389,175	310,803	182,438	3,810,263	5,561,000
Total uses of funds	7,232,425	4,106,098	5,513,232	4,881,959	11,707,953	3,635,606	3,966,255	5,291,650	11,784,601	73,037,874	78,227,000
Fund balance, December 31, 2022										<u>\$ 13,146,777</u>	

City of Madison Tax Incremental District No. 36

Detailed Schedule of Capital, Administration and Professional Services

Expenditures and Developer Payments

From the Date of Creation Through December 31, 2022

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital, administration and professional services expenditures, and developer payments:		
Breese Stevens Field	\$ 1,138,964	\$ 485,000
Blair Street Intersection Improvements	4,620	1,222,000
Cosmos Parking Ramp	8,000,000	9,000,000
Livingston Ramp Reimbursement	4,000,000	4,000,000
Land Acquisition (MGE) Reimbursement	1,000,000	1,000,000
Park improvements (Reynolds Field)	-	130,000
Park improvements (Central Park)	1,264,821	-
Street reconstruction (N. Livingston Street)	1,507,849	1,283,000
Streetscape improvements	30,490	500,000
Storm sewer (Blount Street)	-	728,000
Sanitary sewer improvements (Yahara River)	-	512,000
Bike path	-	560,000
Economic development loans	14,232,000	16,450,000
Administration and professional services	2,448,996	1,574,000
Land acquisition	4,090,871	4,000,000
Public Market	524,485	7,000,000
Property holding costs	693,287	-
	<u> </u>	<u> </u>
Total	<u>\$ 38,936,383</u>	<u>\$ 48,444,000</u>

Independent Auditors' Report on Other Legal and Regulatory Requirements

To the Common Council of
City of Madison

We have audited the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost Recovered Through Tax Increments and the related Historical Summary of Sources, Uses and Status of Funds of the City of Madison, Wisconsin Tax Incremental District No. 36 (the District) as of December 31, 2022 and from the date the District was created through December 31, 2022 and have issued our report thereon dated July 19, 2023. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, we noted that the District failed to comply with the following requirement of Wisconsin State Statutes Section 66.1105:

1. The City of Madison did not send a written notice of the third amendment to the Wisconsin Department of Revenue within 60 days of adoption of the amendment.

Our audit was not directed primarily toward obtaining knowledge as to whether the District failed to comply with Wisconsin State Statutes Section 66.1105, insofar as it relates to accounting matters. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding noncompliance with the above-referenced statute, insofar as it relates to accounting matters.

This report is intended solely for the information and use of the common council, management and the overlapping taxing districts and is not intended to be and should not be, used by anyone other than the specified parties.

Baker Tilly US, LLP

Madison, Wisconsin
July 19, 2023