

**City of Madison
Tax Incremental District No. 25**

Financial Statements and
Supplementary Information

December 31, 2021

City of Madison Tax Incremental District No. 25

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December 31, 2021

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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. 25 (the District) as of December 31, 2021 and from the date of creation through December 31, 2021, 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, 2021 and the sources, uses and status of funds from the date of creation through December 31, 2021, 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. 25 and do not purport to, and do not, present fairly the financial position of the City of Madison, Wisconsin, as of December 31, 2021, 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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. 25'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 13, 2022 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 13, 2022

City of Madison Tax Incremental District No. 25

Balance Sheet
December 31, 2021

	Capital Projects Fund
Assets	
Cash and investments	\$ 10,957,287
Taxes receivable	4,926,494
Lease receivable	820,000
Prepaid items	<u>244</u>
Total assets	<u>\$ 16,704,025</u>
Liabilities, Deferred Inflows of Resources and Fund Balances	
Liabilities	
Accrued liabilities	<u>\$ 106</u>
Deferred Inflows of Resources	
Unavailable revenue	820,000
Unearned revenue	<u>4,926,494</u>
Total deferred inflows of resources	<u>5,746,494</u>
Fund Balance	
Restricted	<u>10,957,425</u>
Total fund balance	<u>10,957,425</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 16,704,025</u>

See notes to financial statements

City of Madison Tax Incremental District No. 25

Historical Summary of Project Costs, Project Revenues and Net Cost Recovered Through
Tax Increments

Date of Creation Through December 31, 2021

Project Costs

Capital expenditures	\$ 66,071,207
Administration	947,381
Professional services	364,723
Interest on advances	120,257
Lease payment	(2,719,840)
Debt issuance costs	75,013
Interest on capital lease	23,908,486
Interest on long-term debt	<u>97,093</u>

Total project costs 88,864,320

Project Revenues

Tax increments	65,811,971
Exempt computer aid	643,783
Personal property aid	36,546
Investment income	5,330,054
Contributions from other districts	12,937,087
Payment from developer	29,511,319
Miscellaneous	<u>43,357</u>

Total project revenues 114,314,117

Net cost recovered through
tax increments, December 31, 2021 (25,449,797)

Preliminary Distribution to the City and Overlying Districts (15,312,372)

Net cost recovered after preliminary distribution, December 31, 2021 \$ (10,137,425)

Reconciliation of Recovered Costs

Capital leases	\$ 820,000
Less fund balance	<u>(10,957,425)</u>

Net cost recovered after preliminary distribution, December 31, 2021 \$ (10,137,425)

City of Madison Tax Incremental District No. 25

Historical Summary of Sources, Uses and Status of Funds

Date of Creation Through December 31, 2021

Sources of Funds

Tax increments	\$ 65,811,971
Exempt computer aid	643,783
Personal property aid	36,546
Investment income	5,330,054
Contributions from other districts	12,937,087
Long-term debt issued	367,500
Capital leases issued	37,048,679
Payment from developer	29,511,319
Miscellaneous	<u>43,357</u>

Total sources of funds 151,730,296

Uses of Funds

Capital expenditures	66,071,207
Administration	947,381
Professional services	364,723
Interest on advances	120,257
Lease payment	(2,719,840)
Debt issuance costs	75,013
Principal on capital lease	36,228,679
Interest on capital lease	23,908,486
Principal on long-term debt	367,500
Interest on long-term debt	<u>97,093</u>

Total uses of funds 125,460,499

Preliminary distribution to the city and overlying districts (15,312,372)

Fund balance, December 31, 2021 \$ 10,957,425

City of Madison Tax Incremental District No. 25

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

The accounting policies of the City of Madison's Tax Incremental District No. 25 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Madison 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. 25. The accompanying financial statements reflect all the significant operations of the City of Madison's Tax Incremental District No. 25. 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. 25. The summary statements were prepared from data recorded in the following City of Madison funds and long-term debt:

General Fund
Capital Projects Fund
General Long-Term Obligations Account Group (through 12/31/01)

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.

Original Project Plan

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
Tax Incremental District No. 25	January 1, 1995	September 19, 2017	2023

Plan Amendment

	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
Tax Incremental District No. 25	September 20, 2016	September 19, 2017

City of Madison Tax Incremental District No. 25

Notes to Financial Statements
December 31, 2021

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 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 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. 25

Notes to Financial Statements

December 31, 2021

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 notes payable are backed by the full faith and credit of the City of Madison. Notes 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 Rates</u>	<u>Original Indebtedness</u>	<u>Repaid</u>	<u>Balance 12-31-21</u>
G.O. Promissory Notes	05-01-97	05-01-07	5.00-6.00%	\$ 250,000	\$ 250,000	\$ -
G.O. Promissory Notes	05-01-98	05-01-08	4.05-4.35	100,000	100,000	-
G.O. Promissory Notes	10-01-04	10-01-14	3.00-3.65	12,500	12,500	-
G.O. Promissory Notes	10-19-10	10-01-14	3.00-4.00	<u>5,000</u>	<u>5,000</u>	-
Total				<u>\$ 367,500</u>	<u>\$ 367,500</u>	<u>\$ -</u>

The 2004 general obligation notes were refunded in 2010.

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, 2021.

City of Madison Tax Incremental District No. 25

Notes to Financial Statements

December 31, 2021

5. Increment Sharing

As allowable under TIF statutes, the City of Madison may share positive TIF increments. In 1996, the City of Madison and joint review board approved sharing increments from TIF District No. 6 and No. 14 (donor districts) to TIF District No. 25 (donee district). Such transfers are reflected as recoverable costs in the donor districts, and as project revenues in the donee district. Transfers were approved to begin in 1998. TIF increment sharing is valid for a five-year period and can be extended for an additional five years by the joint review board. Transfers between districts are subject to availability of funds in the donor district. As of December 31, 2021, \$12,937,087 was transferred to TIF District No. 25.

6. Block 89 Lease

In 1996, the Community Development Authority (CDA) borrowed \$20,640,000 in Taxable Redevelopment Lease Revenue Bonds, series 1996A. The CDA was leasing a parking ramp purchased with these revenue bonds to the City of Madison. The annual lease payments paid were the same as the CDA's annual debt service payments on the bonds. The transaction was being recorded as a capital lease. The City of Madison also leased the parking ramp to a developer. The developer paid off the remaining lease during 2013. The City of Madison also paid off its capital lease with the CDA in 2013.

A portion of TIF District No. 15 overlaps TIF District No. 25. As a result, a portion of the lease payment not paid by the developer is paid by TIF District No. 15. This payment is shown as a positive lease payment in TIF District No. 15 and a negative lease payment in TIF District No. 25. TIF District No. 15 was closed out in 2006, and on May 19, 2006, a final amount of \$1,235,000 was transferred from TIF District No. 15 to TIF District No. 25 for full satisfaction of the TIF District No. 15 increment credit. Actual payments from TIF No.15 were as follows:

	<u>TIF No. 15</u>	<u>TIF No. 25</u>	<u>Total Lease Payment</u>
1997	\$ 250,548	\$ (250,548)	\$ -
1998	120,556	(120,556)	-
1999	124,692	55,307	179,999
2000	133,693	546,307	680,000
2001	-	550,000	550,000
2002	281,003	248,997	530,000
2003	149,499	660,501	810,000
2004	143,997	786,003	930,000
2005	143,469	896,531	1,040,000
2006	137,383	1,067,617	1,205,000
2006 – supplemental payment	1,235,000	-	1,235,000
Total	<u>\$ 2,719,840</u>	<u>\$ 4,440,159</u>	<u>\$ 7,159,999</u>

In 1999, the Community Development Authority (CDA) borrowed \$10,870,000 in taxable redevelopment lease revenue bonds, series 1999C. The CDA is leasing a parking structure purchased with these revenue bonds to the City of Madison. The annual lease payments to be paid are the same as the CDA's annual debt service payments on the bonds. The transaction was being recorded as a capital lease. The City of Madison has also leased the parking structure to a developer. The lease revenue bonds were refunded in 2018.

In 2000, the Community Development Authority (CDA) borrowed \$6,800,000 in taxable redevelopment lease revenue refunding bonds, series 2000. The CDA is leasing a parking ramp purchased with these revenue bonds to the City of Madison. The annual lease payments to be paid are the same as the CDA's annual debt service payments on the bonds. The transaction was being recorded as a capital lease. The City of Madison also leased the parking ramp to a developer. The developer paid off the remaining lease during 2014. The City of Madison also paid off its capital lease with the CDA in 2014.

City of Madison Tax Incremental District No. 25

Notes to Financial Statements

December 31, 2021

In 2018, the CDA borrowed \$3,960,000 in taxable redevelopment lease revenue bonds, series 2018A. The CDA is leasing a parking structure purchased with these revenue bonds to the City of Madison. The annual lease payments to be paid are the same as the CDA's annual debt service payments on the bonds. The transaction is being recorded as a capital lease. The City of Madison has also leased the parking structure to a developer.

The capital lease to the developers was recorded as unearned revenue. As payments are received the City of Madison will recognize the revenue.

<u>Capital Leases</u>	<u>Original Indebtedness</u>	<u>Repaid</u>	<u>Balance 12-31-21</u>
1996 parking ramp lease	\$ 16,662,094	\$ 16,662,094	\$ -
1999 parking ramp lease	10,306,585	10,306,585	-
2000 parking ramp lease	6,120,000	6,120,000	-
2018 parking ramp lease	<u>3,960,000</u>	<u>3,140,000</u>	<u>820,000</u>
Total	<u>\$ 37,048,679</u>	<u>\$ 36,228,679</u>	<u>\$ 820,000</u>

The annual lease payments on the 2018 lease are as follows:

	<u>Governmental Activities</u>	
	<u>2018 Issue</u>	
	<u>Principal</u>	<u>Interest</u>
2022	<u>\$ 820,000</u>	<u>\$ 22,140</u>
Total	<u>\$ 820,000</u>	<u>\$ 22,140</u>

7. Agreement with School District

In June 2016, the City of Madison common council authorized the City of Madison to enter into an agreement with Madison Metropolitan School District to guarantee its share of the District's revenues, up to a maximum of \$9,274,000. During 2021, a distribution of \$7,500,000 was made to the school district.

8. Affordable Housing Transfer

In August 2021, the District's life was extended by one year in accordance with Section 66.1105 (6) (g) of Wisconsin State Statutes and the increment earned during year 2023 will be used to fund the affordable housing program.

9. Subsequent Event

On May 24, 2022, the City of Madison passed a resolution to dissolve the District.

City of Madison Tax Incremental District No. 25

Notes to Financial Statements
December 31, 2021

10. Preliminary Distribution to Overlying Districts

The District has done a preliminary distribution to overlying districts based on increments collected in excess of project costs using the ratio of tax levies in the 2020 tax roll as follows:

Dane County	\$ 1,788,485
City of Madison	5,443,548
Madison Metropolitan School District	7,500,000
Madison Technical College	<u>580,339</u>
Total	<u>\$15,312,372</u>

City of Madison Tax Incremental District No. 25

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

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Sources of Funds															
Tax increments	\$ -	\$ -	\$ 30,949	\$ 127,743	\$ 305,117	\$ 689,892	\$ 1,161,676	\$ 2,297,457	\$ 1,979,440	\$ 1,989,951	\$ 2,016,706	\$ 1,998,172	\$ 2,258,208	\$ 2,534,522	\$ 2,799,477
Exempt computer aid	-	-	-	-	-	9,854	19,186	20,998	25,518	34,881	32,835	30,703	17,717	16,108	32,160
Personal property aid	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	31,505	107,273	83,916	90,591	89,384	118,670	237,119	448,427	586,128	493,070	284,880
Contributions from other districts	-	-	-	2,200,000	2,032,000	1,200,000	2,200,000	1,100,000	1,000,000	900,000	1,400,000	905,087	-	-	-
Long-term debt issued	-	-	250,000	100,000	-	-	-	-	-	12,500	-	-	-	-	-
Capital leases issued	-	-	-	-	16,662,094	-	15,566,902	859,683	-	-	-	-	-	-	-
Payment from developer	-	-	50,000	100,000	1,066,764	1,637,929	1,445,127	1,397,915	667,355	601,527	1,435,772	1,812,193	1,618,401	1,685,481	1,825,120
Miscellaneous	-	7,553	26,518	20,000	(20,000)	-	-	9,250	-	-	-	-	-	-	-
Total sources of funds	-	7,553	357,467	2,547,743	20,077,480	3,644,948	20,476,807	5,775,894	3,761,697	3,657,529	5,122,432	5,194,582	4,480,454	4,729,181	4,941,637
Uses of Funds															
Capital expenditures	41,832	388,682	213,698	2,246,408	17,692,768	1,525,351	15,960,566	635,819	1,039,585	57,541	23,650	75,322	187,585	208,259	15,741
Administration	-	-	76,524	128,546	120,850	45,601	39,348	68,538	10,739	83,299	4,923	9,240	14,125	23,489	16,412
Professional services	-	-	21,537	64,360	32,290	14,552	915	3,134	7,020	1,297	9,560	4,128	1,303	11,624	1,967
Interest on advances	-	23,077	8,791	-	-	-	18,049	11,704	5,538	10,649	9,877	9,119	8,345	7,576	7,532
Lease payment	-	-	(250,548)	(120,556)	(124,692)	(133,693)	-	(281,003)	(149,499)	(143,997)	(143,469)	(1,372,383)	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Principal on capital lease	-	-	-	-	180,000	680,000	2,070,000	585,000	810,000	930,000	1,040,000	2,440,000	1,310,000	1,285,000	1,265,000
Interest on capital lease	-	-	-	-	1,533,221	1,397,193	1,910,462	2,803,244	1,005,215	804,471	1,481,053	1,618,750	1,257,455	1,526,370	1,677,568
Principal on long-term debt	-	-	-	25,000	35,000	35,000	35,000	35,000	35,000	35,000	36,250	36,250	36,250	11,250	1,250
Interest on long-term debt	-	-	-	18,538	16,982	13,232	11,577	9,923	8,258	6,583	5,297	3,569	1,714	494	240
Total uses of funds	41,832	411,759	70,002	2,362,296	19,486,419	3,577,236	20,045,917	3,871,359	2,771,856	1,784,843	2,467,141	2,823,995	2,816,777	3,074,062	2,985,710
Preliminary distribution to the city and overlying districts															
Fund balance, December 31, 2021															

City of Madison Tax Incremental District No. 25

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

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Totals	Project Plan Estimate
Sources of Funds														
Tax increments	\$ 2,877,072	\$ 3,357,577	\$ 3,531,463	\$ 3,582,700	\$ 3,767,151	\$ 3,711,158	\$ 3,831,284	\$ 3,949,673	\$ 4,740,984	\$ 3,592,976	\$ 4,219,442	\$ 4,461,181	\$ 65,811,971	\$ 85,305,170
Exempt computer aid	38,605	45,105	42,698	41,215	35,211	29,878	26,698	28,137	28,551	29,241	29,242	29,242	643,783	-
Personal property aid	-	-	-	-	-	-	-	-	-	27,632	12,182	(3,268)	36,546	-
Investment income	250,491	196,796	188,500	134,670	151,529	147,902	197,135	284,367	568,693	443,019	149,663	46,326	5,330,054	-
Contributions from other districts	-	-	-	-	-	-	-	-	-	-	-	-	12,937,087	-
Long-term debt issued	5,000	-	-	-	-	-	-	-	-	-	-	-	367,500	16,012,000
Capital leases issued	-	-	-	-	-	-	-	-	3,960,000	-	-	-	37,048,679	-
Payment from developer	1,873,661	1,890,436	1,863,523	3,319,889	2,693,526	531,957	517,876	529,349	68,658	332,708	-	546,152	29,511,319	-
Miscellaneous	-	-	-	-	36	-	-	-	-	-	-	-	43,357	-
Total sources of funds	5,044,829	5,489,914	5,626,184	7,078,474	6,647,453	4,420,895	4,572,993	4,791,526	9,366,886	4,425,576	4,410,529	5,079,633	151,730,296	101,317,170
Uses of Funds														
Capital expenditures	51,172	13,012	403,982	2,811	4,863	82,123	194,104	15,061	19,210,259	5,742,113	38,900	-	66,071,207	66,992,570
Administration	20,235	26,794	12,763	33,030	63,802	57,327	34,856	9,370	11,034	14,929	15,001	6,606	947,381	1,707,600
Professional services	63,210	-	1,937	2,714	10,525	11,779	91,973	2,143	1,625	1,130	2,000	2,000	364,723	-
Interest on advances	-	-	-	-	-	-	-	-	-	-	-	-	120,257	-
Lease payment	-	-	-	-	-	-	-	-	-	-	-	-	(2,719,840)	-
Debt issuance costs	-	-	-	-	-	-	-	-	75,013	-	-	-	75,013	-
Principal on capital lease	1,625,000	1,780,000	1,925,000	5,717,094	3,385,000	555,000	625,000	700,000	4,971,585	765,000	785,000	800,000	36,228,679	-
Interest on capital lease	1,414,461	1,307,790	1,052,187	1,153,089	445,748	411,693	372,842	329,063	224,863	77,828	61,380	42,540	23,908,486	-
Principal on long-term debt	6,250	1,291	1,264	1,234	1,211	-	-	-	-	-	-	-	367,500	16,012,000
Interest on long-term debt	202	190	148	98	48	-	-	-	-	-	-	-	97,093	16,605,000
Total uses of funds	3,180,530	3,129,077	3,397,281	6,910,070	3,911,197	1,117,922	1,318,775	1,055,637	24,494,379	6,601,000	902,281	851,146	125,460,499	101,317,170
Preliminary distribution to the city and overlying districts													(15,312,372)	
Fund balance, December 31, 2021													\$ 10,957,425	

City of Madison Tax Incremental District No. 25

Detailed Schedule of Capital, Administration and Professional Services Expenditures

Date of Creation Through December 31, 2021

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital, Administration and Professional Services Expenditures		
Judge Doyle parking ramp	\$ 23,728,278	\$ 24,000,000
Street/sidewalk/sewer repair	2,623,383	1,281,470
Skywalk	1,516,877	1,501,816
Outer capital loop, southeast major streets project	-	1,700,000
Street trees	-	12,000
Lighting, turn lanes, streetscape and parkland improvements	623,199	619,535
Grants/loans	3,555,127	3,555,127
Acquisition	1,123,625	1,123,625
Parking structures	32,500,718	32,228,997
Administration and professional services	1,312,104	1,707,600
Master planning Judge Doyle Square	<u>400,000</u>	<u>970,000</u>
 Total	 <u>\$ 67,383,311</u>	 <u>\$ 68,700,170</u>

Independent Auditors' Report on Compliance

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. 25 (the District) as of December 31, 2021 and from the date the District was created through December 31, 2021 and have issued our report thereon dated July 13, 2022. We conducted our audit in accordance with auditing standards generally accepted in the United States of America.

In connection with our audit, nothing came to our attention that caused us to believe that the District failed to comply with Wisconsin State Statutes Section 66.1105, insofar as it relates to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the District's 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 13, 2022