

**City of Madison
Tax Incremental District No. 37**

Financial Statements and
Supplementary Information

December 31, 2021

City of Madison Tax Incremental District No. 37

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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. 37 (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. 37 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. 37'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. 37

Balance Sheet

Friday, December 31, 2021

	Capital Projects Fund
Assets	
Cash and Investments	\$ 3,059,279
Taxes receivable	3,175,550
Other receivable	336,599
Prepaid items	<u>42</u>
 Total assets	 <u>\$ 6,571,470</u>
 Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accrued liabilities	\$ <u>958</u>
 Total liabilities	 <u>958</u>
 Deferred Inflows of Resources	
Unearned revenue	3,175,550
Unavailable revenue	<u>336,599</u>
 Total deferred inflows of resources	 <u>3,512,149</u>
 Fund Balance	
Restricted	<u>3,058,363</u>
 Total liabilities, deferred inflows of resources and fund balance	 <u>\$ 6,571,470</u>

See notes to financial statements

City of Madison Tax Incremental District No. 37

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	\$ 8,017,498
Administration	436,810
Professional services	122,922
Developer payments	322,000
Debt issuance costs	1,321
Interest on advances	181,584
Interest on long-term debt	<u>809,215</u>

Total project costs 9,891,350

Liabilities, Deferred Inflows of Resources and Fund Balance

Exempt computer aid	111,511
Personal property aid	113,721
Miscellaneous	104,978
Sale of land	548,470
Investment income	14,152
Developer guarantee payments	<u>59,338</u>

Total project revenues 11,201,069

Net cost recovered through
tax increments, December 31, 2021 \$ (1,309,719)

Reconciliation of Recovered Costs

G.O. debt	\$ 1,748,644
Less fund balance	<u>(3,058,363)</u>

Net cost recovered through
tax increments, December 31, 2021 \$ (1,309,719)

City of Madison Tax Incremental District No. 37

Historical Summary of Sources, Uses and Status of Funds

Date of Creation Through December 31, 2021

Sources of Funds

Tax increments	\$ 10,248,899
Exempt computer aid	111,511
Personal property aid	113,721
Miscellaneous income	104,978
Sale of land	548,470
Investment income	14,152
Developer guarantee payments	59,338
Long-term debt issued	<u>6,795,956</u>

Total sources of funds 17,997,025

Liabilities, Deferred Inflows of Resources and Fund Balance

Administration	436,810
Professional services	122,922
Developer payments	322,000
Debt issuance costs	1,321
Interest on advances	181,584
Principal on long-term debt	5,047,312
Interest on long-term debt	<u>809,215</u>

Total uses of funds 14,938,662

Fund balance, December 31, 2021 \$ 3,058,363

City of Madison Tax incremental District No. 37

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. 37 (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. 37. The accompanying financial statements reflect all the significant operations of the City of Madison's Tax Incremental District No. 37. 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. 37. The summary statements were prepared from data recorded in the following City of Madison funds and the City of Madison'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 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>
Tax Incremental District No. 37	January 1, 2006	July 18, 2028	2034

City of Madison Tax incremental District No. 37

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 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 unspendable 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. 37

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 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 Rates</u>	<u>Original Indebtedness</u>	<u>Repaid</u>	<u>Balance 12-31-21</u>
G.O. Promissory Notes	10-01-07	10-01-17	4.00-5.00%	\$ 600,000	\$ 600,000	\$ -
G.O. Promissory Notes	10-19-10	10-01-20	0.65-3.50	3,577,000	3,577,000	-
G.O. Promissory Bonds	10-01-13	10-01-23	1.50-4.00	100,000	100,000	-
G.O. Promissory Notes	10-01-14	10-01-24	2.00-5.00	30,000	30,000	-
G.O. Promissory Notes	10-01-15	10-01-17	3.00	116,845	116,845	-
G.O. Promissory Notes	10-19-16	10-01-26	2.00	400,000	200,014	199,986
G.O. Promissory Notes	11-01-18	11-01-28	2.80-3.50	346,063	103,915	242,148
G.O. Promissory Notes	10-17-19	10-01-29	2.00-4.00	1,597,000	319,538	1,277,462
G.O. Promissory Bonds	10-15-20	10-01-24	1.38-4.00	29,048	-	29,048
Total				<u>\$ 6,795,956</u>	<u>\$ 5,047,312</u>	<u>\$ 1,748,644</u>

City of Madison Tax incremental District No. 37

Notes to Financial Statements

December 31, 2021

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

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 247,690	\$ 53,846	\$ 301,536
2023	247,095	44,734	291,829
2024	237,159	37,201	274,360
2025	234,266	31,270	265,536
026	234,238	22,942	257,180
2027	194,263	14,579	208,842
2028	194,263	8,596	202,859
2029	159,670	3,792	163,462
Total	<u>\$ 1,748,644</u>	<u>\$ 216,959</u>	<u>\$ 1,965,603</u>

Crossover Refunding

On October 15, 2020, the City of Madison (the City) issued \$46,725,000 in general obligation refunding bonds. Of this amount, \$10,315,000 was related to a current refunding and \$36,410,000 was issued with an average coupon rate of 0.51%, to advance refund \$36,160,000 of outstanding bonds with an average coupon rate of 2.15%. The net proceeds along with existing funds of the City were used to purchase U.S. government securities. Those securities were deposited in an escrow account to provide for future debt service payments on the new bonds until the crossover date. The bonds are not considered to be defeased and the liability for those bonds as well as the escrow account are recorded in the financial statements. This type of advance refunding is commonly called a crossover refunding.

The District's portion of proceeds in the amount of \$29,048 to advance refund \$28,994 of outstanding notes and bonds were recorded in the City's debt service fund in the prior year. They were transferred to the District in 2021 and were used to refund the 2013 and 2014 general obligation debt in 2021. The District's portion of economic gain is \$1,664.

4. Advances from City Funds

The general fund or capital project fund advances funds to the District when the District is in a negative cash position. The funds charge 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. No repayment schedule has been established. There was no advance outstanding as of December 31, 2021.

5. Guaranteed Revenue

The City of Madison has entered into a development agreement with Gorman & Company, Inc. The agreement guarantees that Gorman & Company, Inc 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 \$4,959,322. This City of Madison has entered into similar agreement with UC Grandfamily LLC and SHD Inc. in the amount of \$686,000 and \$322,000 respectively. There was a shortfall of \$336,599 for Gorman & Company, which was recorded as a receivable and unavailable revenue as of December 31, 2021.

City of Madison Tax incremental District No. 37

Notes to Financial Statements

December 31, 2021

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.

The City of Madison, through its Tax Incremental 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 TID 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 \$1,844,714 has been established for the entire amount of outstanding loans. Details of loans disbursed and forgiven are as follows:

Developer Name	Loans		Loans		Balance Remaining as of 12/31/2021
	Disbursed as of 12/31/2020	Loans Forgiven as of 12/31/2020	Disbursed During 2021	Loans Forgiven During 2021	
Gorman & Company Inc.	\$ 4,959,322	\$ 2,871,744	\$ -	\$ 991,864	\$ 1,095,714
UC Grandfamily LLC	686,000	168,000	-	91,000	427,000
SHD Inc.	322,000	-	-	-	322,000
Total	<u>\$ 5,967,322</u>	<u>\$ 3,039,744</u>	<u>\$ -</u>	<u>\$ 1,082,864</u>	<u>\$ 1,844,714</u>

City of Madison Tax Incremental District No. 37

Detailed Schedule of Sources, Uses and Status of Funds

Date of Creation Through December 31, 2021

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Sources of Funds									
Tax increments	\$ -	\$ -	\$ 152,701	\$ 268,501	\$ 263,580	\$ 286,679	\$ 167,500	\$ 185,750	\$ 214,432
Exempt computer aid	-	-	4,323	2,407	8,508	8,442	9,833	8,602	7,678
Personal property aid	-	-	-	-	-	-	-	-	-
Miscellaneous income	31,375	-	-	-	7,500	7,500	9,548	7,500	37,500
Sale of land	-	-	-	-	-	-	-	-	-
Investment income	-	-	-	-	4,492	-	-	-	-
Liabilities, Deferred Inflows of Resources and Fund Balance	-	-	-	-	-	-	-	-	-
Total sources of funds	<u>31,375</u>	<u>600,000</u>	<u>157,024</u>	<u>270,908</u>	<u>3,861,080</u>	<u>302,621</u>	<u>186,881</u>	<u>301,852</u>	<u>289,610</u>
Uses of Funds									
Capital expenditures	162,824	709,280	1,641,261	16,135	3,518,489	11,681	56,964	-	101
Administration	64,853	25,692	13,307	6,478	15,228	18,520	47,965	51,063	48,949
Professional services	21,963	8,401	8,642	2,627	26,760	6,396	2,142	10,817	5,152
Developer Payments	-	-	-	-	-	-	-	-	-
Debt issuance costs	-	-	-	-	-	-	-	-	-
Interest on advances	4,915	14,566	42,907	32,732	19,570	15,486	16,115	12,821	12,564
Principal on long-term debt	-	-	60,000	60,000	60,000	418,877	418,877	418,877	428,883
Interest on long-term debt	-	-	25,200	22,200	19,200	85,322	84,196	78,566	75,727
Total uses of funds	<u>254,555</u>	<u>757,939</u>	<u>1,791,317</u>	<u>140,172</u>	<u>3,659,247</u>	<u>556,282</u>	<u>626,259</u>	<u>572,144</u>	<u>571,376</u>

City of Madison Tax Incremental District No. 37

Detailed Schedule of Sources, Uses and Status of Funds

Date of Creation Through December 31, 2021

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Total</u>	<u>Project Plan Estimate</u>
Sources of Funds									
Tax increments	\$ 227,799	\$ 339,753	\$ 731,479	\$ 1,478,694	\$ 1,213,208	\$ 2,023,199	\$ 2,695,624	\$ 10,248,899	\$ 26,605,000
Exempt computer aid	6,543	12,077	8,397	8,520	8,727	8,727	8,727	111,511	-
Personal property aid	-	-	-	-	12,520	37,907	63,294	113,721	-
Miscellaneous income	-	2,340	1,715	-	-	-	-	104,978	-
Sale of land	1	548,468	-	1	-	-	-	548,470	-
Investment income	-	-	-	-	-	3,444	6,216	14,152	-
Developer guarantee payments	-	-	-	-	-	-	59,338	59,338	-
Total sources of funds	<u>351,188</u>	<u>1,302,638</u>	<u>741,591</u>	<u>1,833,278</u>	<u>2,831,455</u>	<u>2,073,277</u>	<u>2,862,247</u>	<u>17,997,025</u>	<u>27,205,000</u>
Uses of Funds									
Capital expenditures	5,691	240,250	11,489	701	1,614,148	991	27,493	8,017,498	20,367,000
Administration	41,114	18,629	23,000	21,720	15,188	13,717	11,387	436,810	500,000
Professional services	7,952	7,259	2,200	6,740	1,488	2,383	2,000	122,922	-
Developer Payments	-	-	-	-	322,000	-	-	322,000	-
Debt issuance costs	-	-	-	1,321	-	-	-	1,321	-
Interest on advances	9,908	-	-	-	-	-	-	181,584	-
Principal on long-term debt	551,884	430,706	466,957	408,935	443,663	603,297	276,356	5,047,312	600,000
Interest on long-term debt	<u>66,527</u>	<u>59,341</u>	<u>58,390</u>	<u>46,881</u>	<u>45,861</u>	<u>79,811</u>	<u>61,993</u>	<u>809,215</u>	<u>5,738,000</u>
Total uses of funds	<u>683,076</u>	<u>756,185</u>	<u>562,036</u>	<u>486,298</u>	<u>2,442,348</u>	<u>700,199</u>	<u>379,229</u>	<u>14,938,662</u>	<u>27,205,000</u>
Fund balance, December 31, 2021								<u>\$ 3,058,363</u>	

City of Madison Tax Incremental District No. 37

Detailed Schedule of Capital, Administration, Professional Services and Developer Payment Expenditures
Date of Creation Through December 31, 2021

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital, Administration, Professional Services and Developer Payment Expenditures		
Public improvements	\$ 4,456,609	\$ 12,781,000
Housing development assistance loans	322,000	2,086,000
CDA land acquisition	-	500,000
Economic development assistance loans	-	5,000,000
Administration and professional services	559,732	500,000
Liabilities, Deferred Inflows of Resources and Fund Balance	3,496,925	-
Total	<u>\$ 8,899,230</u>	<u>\$ 20,867,000</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. 37 (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