

**CITY OF LA CROSSE,
WISCONSIN**

**REPORT ON TAX INCREMENTAL
FINANCING (TIF) DISTRICTS**

DECEMBER 31, 2015

CITY OF LA CROSSE, WISCONSIN

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INDEPENDENT ACCOUNTANTS' COMPILATION REPORT

City of La Crosse, Wisconsin
Tax Incremental Financing (TIF) Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17
La Crosse, Wisconsin

Management is responsible for the special-purpose Historical Summary of Sources, Uses, and Status of Funds for the year ended December 31, 2015, and from the date of creation through December 31, 2015, for the City of La Crosse Tax Incremental Financing Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17. 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 AICPA. 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.

Other Matter

The special-purpose financial statements included in the accompanying prescribed form are intended to comply with the annual reporting requirements for tax incremental districts as required by Wisconsin State Statute 66.1105, and are not intended to be a presentation in accordance with accounting principles generally accepted in the United States of America.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
April 26, 2016

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	DISTRICT NO. 5		DISTRICT NO. 6	
	DOWNTOWN (MARRIOTT/ CENTRAL BUSINESS DISTRICT)		DOWNTOWN	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 225,509	\$ 3,677,365	\$ 1,531,967	\$ 18,705,324
Exempt computer aids	14,770	81,429	67,419	1,034,120
Grants	-	-	-	441,015
Sale of land, other sources	-	21,713	-	237,347
Proceeds from long-term debt	-	1,292,611	-	33,534,010
Transfer from other TIF's	-	-	303,809	17,464,904
TOTAL SOURCES	240,279	5,073,118	1,903,195	71,416,720
<u>USES OF FUNDS</u>				
Capital expenditures	4,067	1,297,554	1,789,028	36,247,724
Principal and interest on long-term debt	12,403	1,600,096	991,895	34,130,087
Interest on advances	-	1	711	124,074
Transfer to other TIF's	223,809	2,175,467	-	703,587
TOTAL USES	240,279	5,073,118	2,781,634	71,205,472
NET (USES) SOURCES	-	-	(878,439)	211,248
BEGINNING FUND BALANCE	-	-	1,089,687	-
ENDING FUND (DEFICIT) BALANCE	\$ -	\$ -	\$ 211,248	\$ 211,248
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 59,170		\$ 9,284,212
Advances outstanding		-		536,670
Interest on advances		-		2,844
Less receivables/plus payables		-		341,349
Less cash (on hand)		-		(1,089,267)
BALANCE NEEDED TO CLOSE TIF		\$ 59,170		\$ 9,075,808

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	DISTRICT NO. 7		DISTRICT NO. 8	
	AMTRAK		DURATECH	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 285,775	\$ 2,508,553	\$ 79,279	\$ 1,075,658
Exempt computer aids	5,211	52,979	-	-
Grants	-	985,445	4,746	94,030
Economic development proceeds	-	10,000	-	-
Sale of land, other sources	9,284	347,682	-	-
Proceeds from long-term debt	-	2,724,981	-	351,093
TOTAL SOURCES	300,270	6,629,640	84,025	1,520,781
<u>USES OF FUNDS</u>				
Capital expenditures	52,587	2,836,395	2,143	354,822
Principal and interest on long-term debt	200,000	2,982,123	-	479,591
Interest on advances	-	6,272	-	99
Transfer to other TIF's	-	-	80,000	684,387
TOTAL USES	252,587	5,824,790	82,143	1,518,899
NET SOURCES	47,683	804,850	1,882	1,882
BEGINNING FUND BALANCE	757,167	-	-	-
ENDING FUND BALANCE	\$ 804,850	\$ 804,850	\$ 1,882	\$ 1,882
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 226,660		\$ -
Less cash (on hand)		(804,850)		(1,882)
BALANCE NEEDED TO CLOSE TIF		\$ (578,190)		\$ (1,882)

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	DISTRICT NO. 9		DISTRICT NO. 10	
	INT. BUSINESS PARK (HWY 16)		PARK PLAZA (OLD HOLIDAY INN)	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 471,704	\$ 4,208,280	\$ 17,445	\$ 121,420
Proceeds from other government	-	51,029	-	-
Payment from other government	-	-	-	688,807
Exempt computer aids	5,298	48,090	4,940	65,963
Grants	-	225,000	-	-
Sale of land, other sources	-	1,542,959	-	-
Loan repayments	-	618,159	-	-
Proceeds from long-term debt	-	2,233,712	-	240,750
Transfer from other TIF's	-	67,943	-	-
TOTAL SOURCES	<u>477,002</u>	<u>8,995,172</u>	<u>22,385</u>	<u>1,116,940</u>
<u>USES OF FUNDS</u>				
Capital expenditures	136,050	3,251,593	4,791	1,291,762
Principal and interest on long-term debt	400,000	2,192,113	6,000	47,629
Interest on advances	-	41,790	496	10,957
TOTAL USES	<u>536,050</u>	<u>5,485,496</u>	<u>11,287</u>	<u>1,350,348</u>
NET (USES) SOURCES	(59,048)	3,509,676	11,098	(233,408)
BEGINNING FUND BALANCE (DEFICIT)	<u>3,568,724</u>	<u>-</u>	<u>(244,506)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 3,509,676</u>	<u>\$ 3,509,676</u>	<u>\$ (233,408)</u>	<u>\$ (233,408)</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 639,991		\$ 238,901
Advances outstanding		-		372,747
Interest on advances		-		6,420
Estimated payable				
Intergovernmental agreement		-		844,595
Proceeds from other government		-		688,806
Less receivables/plus payables		(4,422)		-
Less cash (on hand)		<u>(3,505,254)</u>		<u>(139,339)</u>
BALANCE NEEDED TO CLOSE TIF		<u>\$ (2,869,685)</u>		<u>\$ 2,012,130</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	DISTRICT NO. 11		DISTRICT NO. 12	
	DOWNTOWN (GATEWAY/LHI)		THREE RIVERS PLAZA (FESTIVAL STRIP MALL/MOBILE OIL SITE)	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 2,220,737	\$ 13,075,582	\$ 584,188	\$ 4,507,490
Exempt computer aids	370,915	2,219,979	8,700	66,969
Grants	-	5,432,773		42,640
Economic development proceeds	-	640	-	-
Sale of land, other sources	750,799	807,002	-	19,900
Judgment/liquidated damages	-	1,000,000	-	-
Loan repayments	6,049	134,684	-	-
Proceeds from long-term debt	121,357	36,175,139	-	6,965,222
TOTAL SOURCES	<u>3,469,857</u>	<u>58,845,799</u>	<u>592,888</u>	<u>11,602,221</u>
<u>USES OF FUNDS</u>				
Capital expenditures	143,703	44,013,110	139,860	8,016,575
Incentives for reverse TIF	-	271,150	-	-
Principal and interest on long-term debt	2,460,000	12,099,672	495,431	3,591,660
Interest on advances	6,775	634,564	522	10,138
TOTAL USES	<u>2,610,478</u>	<u>57,018,496</u>	<u>635,813</u>	<u>11,618,373</u>
NET SOURCES (USES)	859,379	1,827,303	(42,925)	(16,152)
BEGINNING FUND BALANCE	<u>967,924</u>	<u>-</u>	<u>26,773</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 1,827,303</u>	<u>\$ 1,827,303</u>	<u>\$ (16,152)</u>	<u>\$ (16,152)</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 31,581,238		\$ 7,761,698
Advances outstanding		3,679,565		393,793
Interest on advances		73,131		7,827
Estimated payable				
Developer's agreement		6,560,221		-
Less cash (on hand)		<u>(5,506,868)</u>		<u>(377,641)</u>
BALANCE NEEDED TO CLOSE TIF		<u>\$ 36,387,287</u>		<u>\$ 7,785,677</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	DISTRICT NO. 13		DISTRICT NO. 14	
	KWIK TRIP		GUNDERSEN	
	YEAR ENDED	FROM DATE OF CREATION	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 950,345	\$ 3,590,963	\$ 972,742	\$ 6,129,390
Exempt computer aids	217,041	443,086	807,972	6,911,216
Grants	-	375,000	-	-
Proceeds from the entity	-	-	337,979	1,378,364
Economic development proceeds	-	128	-	-
DNR loan	6,550	216,657	-	-
Sale of land, other sources	21,422	217,669	99,164	99,164
Proceeds from long-term debt	150,285	4,175,790	-	584,148
Interest income	-	-	459	1,355
TOTAL SOURCES	<u>1,345,643</u>	<u>9,019,293</u>	<u>2,218,316</u>	<u>15,103,637</u>
<u>USES OF FUNDS</u>				
Capital expenditures	684,178	6,002,855	1,452,849	4,171,713
Incentives for reverse TIF	150,000	150,000	1,052,310	4,372,575
Principal and interest on long-term debt	448,576	2,801,245	-	-
Interest on advances	871	2,789	333	7,743
TOTAL USES	<u>1,283,625</u>	<u>8,956,889</u>	<u>2,505,492</u>	<u>8,552,031</u>
NET SOURCES (USES)	62,018	62,404	(287,176)	6,551,606
BEGINNING FUND BALANCE	<u>386</u>	<u>-</u>	<u>6,838,782</u>	<u>-</u>
ENDING FUND BALANCE	<u>\$ 62,404</u>	<u>\$ 62,404</u>	<u>\$ 6,551,606</u>	<u>\$ 6,551,606</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Unpaid debt principal and interest		\$ 2,471,904		\$ 425,823
Advances outstanding		657,450		250,000
Interest on advances		7,840		3,313
Outstanding DNR loan		181,989		-
Estimated payable				
Developer's agreement		884,000		16,284,449
Less receivables/plus payables		(13,910)		7,184
Less cash (on hand)		(705,944)		(6,808,790)
BALANCE NEEDED TO CLOSE TIF		<u>\$ 3,483,329</u>		<u>\$ 10,161,979</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	<u>DISTRICT NO. 15</u>		<u>DISTRICT NO. 16</u>	
	<u>CHART/TRANE COMPANY</u>		<u>TRANE PLANT 6</u>	
	<u>YEAR ENDED</u>	<u>FROM DATE OF CREATION</u>	<u>YEAR ENDED</u>	<u>FROM DATE OF CREATION</u>
<u>SOURCES OF FUNDS</u>				
Tax increments	\$ 342,055	\$ 342,055	\$ -	\$ -
Exempt computer aids	39,935	39,935	-	-
Proceeds from the entity	250,000	250,000	-	-
Economic development proceeds	-	-	-	30,000
TOTAL SOURCES	<u>631,990</u>	<u>631,990</u>	<u>-</u>	<u>30,000</u>
<u>USES OF FUNDS</u>				
Capital expenditures	2,439	4,113	1,173,059	1,262,180
Interest on advances	<u>5</u>	<u>8</u>	<u>-</u>	<u>-</u>
TOTAL USES	<u>2,444</u>	<u>4,121</u>	<u>1,173,059</u>	<u>1,262,180</u>
NET SOURCES (USES)	629,546	627,869	(1,173,059)	(1,232,180)
BEGINNING FUND (DEFICIT)	<u>(1,677)</u>	<u>-</u>	<u>(59,121)</u>	<u>-</u>
ENDING FUND BALANCE (DEFICIT)	<u>\$ 627,869</u>	<u>\$ 627,869</u>	<u>\$ (1,232,180)</u>	<u>\$ (1,232,180)</u>
<u>FUTURE TIF REQUIREMENTS</u>				
Advances outstanding		\$ 3,677		\$ 1,232,180
Interest on advances		54		31,020
Outstanding DNR loan		-		150,000
Estimated payable				
Developer's agreement		7,000,000		-
Less cash (on hand)		<u>(631,546)</u>		<u>-</u>
BALANCE NEEDED TO CLOSE TIF		<u>\$ 6,372,185</u>		<u>\$ 1,413,200</u>

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CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17 - Continued
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015
AND FROM THE DATE OF CREATION THROUGH DECEMBER 31, 2015

	DISTRICT NO. 17	
	DOWNTOWN NORTH	
	YEAR ENDED	FROM DATE OF CREATION
<u>SOURCES OF FUNDS</u>	\$ -	\$ -
<u>USES OF FUNDS</u>		
Capital expenditures	6,885	6,885
Interest on advances	2	2
TOTAL USES	6,887	6,887
NET (USES)	(6,887)	(6,887)
BEGINNING FUND BALANCE	-	-
ENDING FUND (DEFICIT)	\$ (6,887)	\$ (6,887)
 <u>FUTURE TIF REQUIREMENTS</u>		
Advances outstanding		\$ 1,543
Interest on advances		39
Less receivables/plus payables		5,344
BALANCE NEEDED TO CLOSE TIF		\$ 6,926

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17
NOTES TO REPORT
DECEMBER 31, 2015

1. TIF District Information

The Tax Incremental Financing Districts No. 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 (the "District") were 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 Districts. The tax on the increased value is called a tax increment.

Districts No. 5, 6, 7, 10, 11, and 12 project costs may be incurred up to 22 years after the creation date of the Districts and collect tax increments for up to 27 years. Districts No. 8 and 9 costs may be incurred for up to 18 years and collect tax increments for up to 23 years. District No.13, 14, 15, 16, and 17 costs may be incurred for up to 15 years and collect tax increments for up to 20 years. Project costs uncollected at the dissolution date are absorbed by the municipality.

	<u>CREATION DATE</u>	<u>LAST DATE TO INCUR PROJECT COSTS</u>	<u>FINAL DISSOLUTION DATE</u>
District No. 4	08/18/87	08/18/09	08/18/15
District No. 5	03/12/92	03/12/14	03/12/19
District No. 6	04/14/94	04/14/16	04/14/21
District No. 7	08/14/97	08/14/19	08/14/24
District No. 8	07/10/97	07/10/15	07/10/20
District No. 9	06/22/99	06/22/17	06/22/22
District No. 10	06/24/03	06/24/25	06/12/30
District No. 11	10/12/04	10/12/26	10/12/31
District No. 12	07/14/05	07/14/27	07/14/32
District No. 13	05/11/06	05/11/21	05/11/26
District No. 14	08/24/06	08/24/21	08/24/26
District No. 15	08/08/13	08/08/28	08/08/33
District No. 16	06/12/14	06/12/29	06/12/34
District No. 17	09/28/15	09/28/30	09/28/35

2. Principal and Interest Due

All general obligation notes payable are backed by the full faith and credit of the municipality. Notes borrowed to finance District expenditures will be retired by tax increments accumulated by the debt service fund. Future principal and interest payments are shown on the summary of sources, uses, and status of funds.

CITY OF LA CROSSE, WISCONSIN
TAX INCREMENTAL FINANCING (TIF) DISTRICTS NO. 5, 6, 7, 8, 9, 10, 11,
12, 13, 14, 15, 16, AND 17
NOTES TO REPORT - Continued
DECEMBER 31, 2015

3. Transfer of Tax Increments

The Wisconsin Statutes were amended to permit the transfer of positive tax increments from a successful district to another district. The donor district must be able to demonstrate, based on the positive tax increments that are currently generated, that it has sufficient revenue to pay for all project costs that have been incurred under the project plan and sufficient surplus revenue to pay for some of the eligible costs of the recipient TIF district.

In accordance with Wisconsin State Statute 66.1105, paragraph 6, positive tax increments may be allocated from one TIF district to another if:

- ◆ The donor TIF district and the recipient TIF district have the same overlapping tax jurisdictions;
- ◆ The allocation of tax increments is approved by the joint review board;
- ◆ The donor TIF district has first satisfied all its current year debt service and project cost obligations;
- ◆ The project costs in the recipient TIF district are used to create, provide, or rehabilitate low-cost housing, or to remediate environmental contamination; or
- ◆ The recipient TIF district is a “blighted area” or an “area in need of rehabilitation” TIF district.

During 2015, District No. 5 transferred \$223,809 and District No. 8 transferred \$80,000 to District No. 6. District No. 6 has \$1,089,267 available toward outstanding long-term debt.

4. Joint Agreement

District No. 10 is a joint agreement between the City and another government. Proceeds from the other government will be repaid if positive increments are available, and therefore, such proceeds are also reported as “Future TIF Requirements”.