

**CITY OF MADISON**  
**TAX INCREMENTAL DISTRICT NO. 25**  
Madison, Wisconsin

FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of December 31, 2015 and From the  
Date of Creation Through December 31, 2015

**CITY OF MADISON**  
**TAX INCREMENTAL DISTRICT NO. 25**

TABLE OF CONTENTS  
As of December 31, 2015 and From the Date of Creation Through December 31, 2015

---

Independent Auditors' Report	1 – 3
Tax Incremental District No. 25 – Balance Sheet	4
Tax Incremental District No. 25 – Historical Summary of Project Costs, Project Revenues and Net Cost Recovered Through Tax Increments	5
Tax Incremental District No. 25 – Historical Summary of Sources, Uses, and Status of Funds	6
Notes to Financial Statements	7 – 11
Supplemental Information	
Tax Incremental District No. 25 – Detailed Schedule of Sources, Uses, and Status of Funds	12 – 13
Tax Incremental District No. 25 – Detailed Schedule of Capital Expenditures	14
Independent Auditors' Report on Compliance	15

**INDEPENDENT AUDITORS' REPORT**

To the Common Council  
City of Madison  
Madison, Wisconsin

**Report on the Financial Statements**

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, 2015 and from the date of creation through December 31, 2015, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

To the Common Council  
City of Madison

### ***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of City of Madison's Tax Incremental District No. 25 and the net project cost recovered through tax increments as of December 31, 2015 and the sources, uses, and status of funds from the date of creation through December 31, 2015, in accordance with accounting principles generally accepted in the United States of America.

### ***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, 2015, 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.

### ***Other Matters***

#### ***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 supplemental 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 supplemental information is fairly stated in all material respects, in relation to the financial statements as a whole.

To the Common Council  
City of Madison

**Report on Other Legal and Regulatory Requirements**

We have also issued our report dated August 10, 2016 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 Virchow Krause, LLP*

Madison, Wisconsin  
August 10, 2016

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

BALANCE SHEET  
As of December 31, 2015

---

	<u>Capital Projects Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 28,845,872
Taxes receivable	3,831,283
Lease receivable	<u>5,506,585</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 38,183,740</u></b>
<b>DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	
Deferred Inflows of Resources	
Unavailable revenue	\$ 5,506,585
Unearned revenue	<u>3,831,283</u>
Total Deferred Inflows of Resources	<u>9,337,868</u>
Fund Balance	
Restricted	<u>28,845,872</u>
Total Fund Balance	<u>28,845,872</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES     AND FUND BALANCE</b>	<b><u>\$ 38,183,740</u></b>

See accompanying 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  
From the Date of Creation Through December 31, 2015

**PROJECT COSTS**

Capital expenditures	\$ 41,981,207
Interest on advances	120,257
Lease payment	(2,719,840)
Debt issuance costs	9,000
Interest on capital lease	22,799,970
Interest on long-term debt	<u>97,093</u>
Total Project Costs	<u>62,287,687</u>

**PROJECT REVENUES**

Tax increments	41,016,431
Exempt computer aid	472,672
Investment income	3,640,851
Contributions from other districts	12,937,087
Payment from developer	27,516,576
Miscellaneous	<u>43,357</u>
Total Project Revenues	<u>85,626,974</u>

**NET COST RECOVERED THROUGH**

**TAX INCREMENTS – DECEMBER 31, 2015**

\$ (23,339,287)

**RECONCILIATION OF RECOVERED COSTS**

Capital leases	\$ 5,506,585
Less: Fund balance	<u>(28,845,872)</u>

**NET COST RECOVERED THROUGH**

**TAX INCREMENTS – DECEMBER 31, 2015**

\$ (23,339,287)

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
From the Date of Creation Through December 31, 2015

---

**SOURCES OF FUNDS**

Tax increments	\$ 41,016,431
Exempt computer aid	472,672
Investment income	3,640,851
Contributions from other districts	12,937,087
Long-term debt issued	367,500
Capital leases issued	33,088,679
Payment from developer	27,516,576
Miscellaneous	43,357
Total Sources of Funds	<u>119,083,153</u>

**USES OF FUNDS**

Capital expenditures	41,981,207
Interest on advances	120,257
Lease payment	(2,719,840)
Debt issuance costs	9,000
Principal on capital lease	27,582,094
Interest on capital lease	22,799,970
Principal on long-term debt	367,500
Interest on long-term debt	97,093
Total Uses of Funds	<u>90,237,281</u>

**FUND BALANCE – DECEMBER 31, 2015** \$ 28,845,872



**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2015 and From the Date of Creation Through December 31, 2015

**NOTE 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

**A. 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 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 city 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 city 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. Project costs may be incurred up to five years before the unextended termination date of the District.

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 25	January 1, 1995	September 19, 2017	2023

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2015 and From the Date of Creation Through December 31, 2015

---

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

---

***B. 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.

***C. 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.

***D. 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.

***E. 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.

***F. 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  
As of December 31, 2015 and From the Date of Creation Through December 31, 2015

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

**G. 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.

**NOTE 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, maintains separate and common cash and investment accounts at the same financial institutions utilized by the city. 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.

**NOTE 3 – LONG-TERM DEBT**

**A. GENERAL OBLIGATION DEBT**

All general obligation notes payable are backed by the full faith and credit of the city. Notes borrowed to finance District expenditures will be retired by tax increments accumulated by the TIF 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 12-31-15</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%	5,000	5,000	-
Totals				<u>\$ 367,500</u>	<u>\$ 367,500</u>	<u>\$ -</u>

The 2004 general obligation notes were refunded in 2010.

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2015 and From the Date of Creation Through December 31, 2015

**NOTE 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. There was no advance outstanding as of December 31, 2015.

**NOTE 5 – INCREMENT SHARING**

As allowable under TIF statutes, the City of Madison may share positive TIF increments. In 1996, the city 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, 2015, \$12,937,087 was transferred to TIF District No. 25.

**NOTE 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. 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 also leased the parking ramp to a developer. The developer paid off the remaining lease during 2013. The city 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>Net 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	<u>1,235,000</u>	<u>-</u>	<u>1,235,000</u>
Totals	<u>\$ 2,719,840</u>	<u>\$ 4,440,159</u>	<u>\$ 7,159,999</u>

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

NOTES TO FINANCIAL STATEMENTS  
As of December 31, 2015 and From the Date of Creation Through December 31, 2015

**NOTE 6 – BLOCK 89 LEASE (cont.)**

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. 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 has also leased the parking structure to a developer.

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. 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 also leased the parking ramp to a developer. The developer paid off the remaining lease during 2014. The city also paid off its capital lease with the CDA in 2014.

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

<u>Capital Leases</u>	<u>Original Indebtedness</u>	<u>Repaid</u>	<u>Balance 12-31-15</u>
1996 parking ramp lease	\$ 16,662,094	\$ 16,662,094	\$ -
1999 parking ramp lease	10,306,585	4,800,000	5,506,585
2000 parking ramp lease	<u>6,120,000</u>	<u>6,120,000</u>	<u>-</u>
Totals	<u>\$ 33,088,679</u>	<u>\$ 27,582,094</u>	<u>\$ 5,506,585</u>

The annual lease payments on the 1999 lease are as follows:

	<u>Governmental Activities</u>	
	<u>1999 Issue</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 625,000	\$ 430,645
2017	700,000	386,895
2018	745,000	337,895
2019	870,000	285,000
2020	970,000	223,013
2021	1,075,000	153,900
2022	<u>521,585</u>	<u>37,163</u>
Totals	<u>\$ 5,506,585</u>	<u>\$ 1,854,511</u>

Amounts shown as lease proceeds are net of reserve funds held by the CDA.

**NOTE 7 – SUBSEQUENT EVENT**

In June 2016, the city council authorized the city 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.

**SUPPLEMENTAL INFORMATION**

**Tax Incremental District No. 25 –  
Detailed Schedule of Sources, Uses,  
and Status of Funds Follows**

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

DETAILED SCHEDULE OF SOURCES, USES, AND STATUS OF FUNDS  
From the Date of Creation Through December 31, 2015

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
<b>SOURCES OF FUNDS</b>										
Tax increments	\$ -	\$ -	\$ 30,949	\$ 127,743	\$ 305,117	\$ 689,892	\$ 1,161,676	\$ 2,297,457	\$ 1,979,440	\$ 1,989,951
Exempt computer aid	-	-	-	-	-	9,854	19,186	20,998	25,518	34,881
Investment income	-	-	-	-	31,505	107,273	83,916	90,591	89,384	118,670
Contributions from other districts	-	-	-	2,200,000	2,032,000	1,200,000	2,200,000	1,100,000	1,000,000	900,000
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
Miscellaneous	-	7,553	26,518	20,000	(20,000)	-	-	9,250	-	-
<b>Total Sources of Funds</b>	<b>-</b>	<b>7,553</b>	<b>357,467</b>	<b>2,547,743</b>	<b>20,077,480</b>	<b>3,644,948</b>	<b>20,476,807</b>	<b>5,775,894</b>	<b>3,761,697</b>	<b>3,657,529</b>
<b>USES OF FUNDS</b>										
Capital expenditures	41,832	388,682	311,759	2,439,314	17,845,908	1,585,504	16,000,829	707,491	1,057,344	142,137
Interest on advances	-	23,077	8,791	-	-	-	18,049	11,704	5,538	10,649
Lease payment	-	-	(250,548)	(120,556)	(124,692)	(133,693)	-	(281,003)	(149,499)	(143,997)
Debt issuance costs	-	-	-	-	-	-	-	-	-	-
Principal on capital lease	-	-	-	-	180,000	680,000	2,070,000	585,000	810,000	930,000
Interest on capital lease	-	-	-	-	1,533,221	1,397,193	1,910,462	2,803,244	1,005,215	804,471
Principal on long-term debt	-	-	-	25,000	35,000	35,000	35,000	35,000	35,000	35,000
Interest on long-term debt	-	-	-	18,538	16,982	13,232	11,577	9,923	8,258	6,583
<b>Total Uses of Funds</b>	<b>41,832</b>	<b>411,759</b>	<b>70,002</b>	<b>2,362,296</b>	<b>19,486,419</b>	<b>3,577,236</b>	<b>20,045,917</b>	<b>3,871,359</b>	<b>2,771,856</b>	<b>1,784,843</b>

FUND BALANCE –  
DECEMBER 31, 2015



2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Totals	Project Plan Estimate
\$ 2,016,706	\$ 1,998,172	\$ 2,258,208	\$ 2,534,522	\$ 2,799,477	\$ 2,877,072	\$ 3,357,577	\$ 3,531,463	\$ 3,582,700	\$ 3,767,151	\$ 3,711,158	\$ 41,016,431	\$ 12,104,000
32,835	30,703	17,717	16,108	32,160	38,605	45,105	42,698	41,215	35,211	29,878	472,672	-
237,119	448,427	586,128	493,070	284,880	250,491	196,796	188,500	134,670	151,529	147,902	3,640,851	-
1,400,000	905,087	-	-	-	-	-	-	-	-	-	12,937,087	-
-	-	-	-	-	5,000	-	-	-	-	-	367,500	16,012,000
-	-	-	-	-	-	-	-	-	-	-	33,088,679	-
1,435,772	1,812,193	1,618,401	1,685,481	1,825,120	1,873,661	1,890,436	1,863,523	3,319,889	2,693,526	531,957	27,516,576	-
-	-	-	-	-	-	-	-	-	36	-	43,357	-
<u>5,122,432</u>	<u>5,194,582</u>	<u>4,480,454</u>	<u>4,729,181</u>	<u>4,941,637</u>	<u>5,044,829</u>	<u>5,489,914</u>	<u>5,626,184</u>	<u>7,078,474</u>	<u>6,647,453</u>	<u>4,420,895</u>	<u>119,083,153</u>	<u>28,116,000</u>
38,133	88,690	203,013	243,372	34,120	134,617	39,806	418,682	29,555	79,190	151,229	41,981,207	16,012,000
9,877	9,119	8,345	7,576	7,532	-	-	-	-	-	-	120,257	-
(143,469)	(1,372,383)	-	-	-	-	-	-	-	-	-	(2,719,840)	-
-	-	-	-	-	-	-	-	9,000	-	-	9,000	-
1,040,000	2,440,000	1,310,000	1,285,000	1,265,000	1,625,000	1,780,000	1,925,000	5,717,094	3,385,000	555,000	27,582,094	-
1,481,053	1,618,750	1,257,455	1,526,370	1,677,568	1,414,461	1,307,790	1,052,187	1,153,089	445,748	411,693	22,799,970	-
36,250	36,250	36,250	11,250	1,250	6,250	1,291	1,264	1,234	1,211	-	367,500	16,012,000
5,297	3,569	1,714	494	240	202	190	148	98	48	-	97,093	16,605,000
<u>2,467,141</u>	<u>2,823,995</u>	<u>2,816,777</u>	<u>3,074,062</u>	<u>2,985,710</u>	<u>3,180,530</u>	<u>3,129,077</u>	<u>3,397,281</u>	<u>6,910,070</u>	<u>3,911,197</u>	<u>1,117,922</u>	<u>90,237,281</u>	<u>48,629,000</u>

\$ 28,845,872

**CITY OF MADISON  
TAX INCREMENTAL DISTRICT NO. 25**

DETAILED SCHEDULE OF CAPITAL EXPENDITURES  
From the Date of Creation Through December 31, 2015

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital Expenditures		
Water mains	\$ -	\$ 490,000
Street/sidewalk/sewer repair	1,281,470	1,364,000
Skywalk	1,501,816	-
Pedestrian circulation system, bus shelters, taxi stands, lighting, turn lanes, streetscape and parkland improvements	619,535	3,800,000
Grants/loans	3,555,127	9,758,000
Acquisition	1,123,625	-
Parking structures	32,228,997 *	-
Administration	1,270,637	600,000
Master planning Judge Doyle Square	<u>400,000</u>	<u>-</u>
 TOTAL CAPITAL EXPENDITURES	 <u>\$ 41,981,207</u>	 <u>\$ 16,012,000</u>

\* As of December 31, 2015, \$27,516,576 of these costs have been reimbursed by the developers (see page 13). Future reimbursements by the developers are planned.

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Common Council  
City of Madison  
Madison, Wisconsin

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's Tax Incremental District No. 25 (the "District") as of December 31, 2015 and from the date the District was created through December 31, 2015 and have issued our report thereon dated August 10, 2016. 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. Project costs incurred exceeded the total project costs included in the project plan.

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 Virchow Krause, LLP*

Madison, Wisconsin  
August 10, 2016