

# Example - TIF Audit

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO.** \_\_\_\_\_

\_\_\_\_\_, Wisconsin

FINANCIAL STATEMENTS

From Date of Creation

Through \_\_\_\_\_ DATE \_\_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO.** \_\_\_\_\_

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SAMPLE REPORT - UNQUALIFIED  
GAAP BASIS (With and Without MD & A)

INDEPENDENT AUDITOR'S REPORT

To the City Council/Village Board

      MUNICIPALITY       of \_\_\_\_\_  
\_\_\_\_\_, Wisconsin

We have audited the accompanying [Combined] Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and the related Historical Summary of Sources, Uses, and Status of Funds of the       MUNICIPALITY       of \_\_\_\_\_ Tax increment District No. \_\_\_\_\_ (the "District") from the date the District was created through       DATE      . Our responsibility is to express an opinion on the summary statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the historical summary statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the historical summary statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall historical summary statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statements present only the transactions of the District and are not intended to present fairly the financial position of the       MUNICIPALITY       of \_\_\_\_\_, and the results of its operations and cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles.

As described in Note 1, the \_\_\_\_\_'s policy is to prepare its financial statements on a regulatory basis in conformity with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, certain expenditures are recognized when incurred or estimated to be incurred rather than when the liability arises.

In our opinion, the historical summary statements referred to above present fairly, in all material respects, the financial position, and the net project costs to be recovered through tax increments as of       DATE       and the sources, uses and status of funds from the creation date of the District through       DATE      , in conformity with the basis of accounting described in Note 1.

The (city, village, town) of \_\_\_\_\_, Wisconsin has not presented the management's discussion and analysis that accounting principals generally accepted in the United States of America require to supplement, although not be part of, the financial statements.

Our audit was made for the purpose of forming an opinion on the historical summary statements taken as a whole. The detailed summaries included as supplemental information as identified in the table of contents, are presented for purposes of additional analysis and are not required part of the historical summary statements of the       MUNICIPALITY       of \_\_\_\_\_, Wisconsin. The information has been subjected to the auditing procedures applied in the audit of the historical summary statements and, in our opinion, is fairly stated in all material respects in relation to the historical summary statements taken as a whole.

AUDITOR

\_\_\_\_\_, Wisconsin  
\_\_\_\_\_

SAMPLE REPORT - UNQUALIFIED  
REGULATORY BASIS

INDEPENDENT AUDITOR'S REPORT

To the City Council/Village Board

MUNICIPALITY of \_\_\_\_\_  
\_\_\_\_\_, Wisconsin

We have audited the accompanying [Combined] Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and the realted Historical Summary of Sources, Uses and Status of Funds of the MUNICIPALITY of \_\_\_\_\_ Tax Incremental District No. \_\_\_\_\_ (the "District") as of December 31, 20 \_\_\_\_ and from the date of the District was created through DATE. These financial statements are the responsibility of the \_\_\_\_\_'s management. Our responsibility is to express an opinion on the historical summary 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by managements as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the financial statement present only the transactions of the District and are not intended to present fairly the financial postion of the MUNICIPALITY of \_\_\_\_\_, as of December 31, 20 \_\_\_\_, and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 1, the \_\_\_\_\_'s policy is to prepare its financial statements on a regulatory basis in conformity with accounting practices prescribed by the Wisconsin Department of Revenue which is a comprehensive basis of accounting other than generally accepted accounting principles. Consequently, certain expenditures are recognized when incurred or estimated to be incurred rather than when the liability arises.

In our opinion, the financial statement referred to above present fairly, in all material respects, the financial position and the net project costs to be recovered through tax increments as of December 31, 20 \_\_\_\_ and the sources, uses and status of funds from the creation date of the District through December 31, 20 \_\_\_\_, in conformity with the basis of accounting described in Note 1.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The detailed summaries included as supplemental information, as identified in the table of contents, are presented for purposes of additional analysis and are not required part of the financial statements of the MUNICIPALITY of \_\_\_\_\_, Wisconsin. The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

\_\_\_\_\_, Wisconsin  
\_\_\_\_\_, 20 \_\_\_\_

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO.** \_\_\_\_\_

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES  
AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS  
From Date of Creation Through December 31, 20 \_\_\_\_

	Year Ended	From Date of Creation
<b>PROJECT COSTS</b> .....	\$	\$
Capital expenditures .....	_____	_____
Administration .....	_____	_____
Interest and fiscal charges .....	_____	_____
Developers grants/incentives .....	_____	_____
Discount on long-term notes .....	_____	_____
Refunding costs .....	_____	_____
Subsidy to TIF District # _____ .....	_____	_____
 Total Project Costs .....	_____	_____
 <b>PROJECT REVENUES</b> .....		
Tax increments .....	\$	\$
Investment income .....	_____	_____
Special assessments .....	_____	_____
Exempt computer aid .....	_____	_____
Subsidy from TIF District # _____ .....	_____	_____
Miscellaneous revenues .....	_____	_____
Sale of property .....	_____	_____
Developer guarantees .....	_____	_____
Transfer from other funds .....	_____	_____
 Total Revenues .....	_____	_____
 <b>NET COST RECOVERABLE THROUGH TIF INCREMENTS – DECEMBER 31, 20 ____</b> .....	\$	\$
 <b>RECONCILIATION OF RECOVERABLE COSTS</b> .....		
G.O. Debt .....	\$	_____
Revenue debt .....	_____	_____
Capital leases .....	_____	_____
Less: Fund balance .....	_____	_____
 <b>NET COSTS RECOVERABLE (RECOVERED) THROUGH TAX INCREMENTS – DECEMBER 31, 20 ____</b> .....	\$	_____

The accompanying notes to the financial statements are an integral part of this statement.

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO.** \_\_\_\_\_

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS  
From Date of Creation Through DATE

	Year Ended	From Date of Creation
<b>SOURCES OF FUNDS</b> .....	\$ _____	\$ _____
Tax increments .....	_____	_____
Investment income .....	_____	_____
Special assessments .....	_____	_____
Exempt computer aid .....	_____	_____
Subsidy from TIF # _____ .....	_____	_____
Developer guarantees .....	_____	_____
Sale of property .....	_____	_____
Miscellaneous revenues .....	_____	_____
Transfers from other funds .....	_____	_____
Proceeds from long-term debt .....	_____	_____
 Total Sources .....	 \$ _____	 \$ _____
 <b>USE OF FUNDS</b>		
Capital expenditures .....	_____	_____
Administration .....	_____	_____
Interest and fiscal charges .....	_____	_____
Discount on long-term notes .....	_____	_____
Debt issuance costs .....	_____	_____
Refunding costs .....	_____	_____
Principal on long-term debt .....	_____	_____
Principal on advances .....	_____	_____
Subsidy to TIF # _____ .....	_____	_____
Development grants/incentives .....	_____	_____
 Total Uses .....	 \$ _____	 \$ _____
 <b>BEGINNING FUND BALANCE (DEFICIT)</b> .....	_____	_____
 <b>ENDING FUND BALANCE (DEFICIT)</b> .....	 \$ _____	 \$ _____

The accompanying notes to the financial statements are an integral part of this statement.

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO. \_\_\_\_\_**

NOTES TO FINANCIAL STATEMENTS  
December 31, 20 \_\_\_\_

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

The \_\_\_\_\_ of \_\_\_\_\_ uses the criteria set forth by the Governmental Accounting Standards Board to determine the scope of the reporting entity of Tax Incremental District No. \_\_\_\_ . The accompanying financial statements reflect all the significant operations of the \_\_\_\_\_ of \_\_\_\_\_'s Tax Incremental District No. \_\_\_\_.

*A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT*

This report contains the financial information of the \_\_\_\_\_ of \_\_\_\_\_'s Tax Incremental District No. \_\_\_\_ . The summary statements were prepared from data recorded in the following funds [and the (city/village's) long-term debt]:

- General Fund
- Debt Service Fund
- Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the \_\_\_\_\_ of \_\_\_\_\_'s basic/general purpose 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/general purpose 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 improvements 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 statues allow the municipality to collect tax increments until the net project cost has been fully recovered, or until \_\_\_\_\* (see next page for guidance) years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the \_\_\_\_\_ of \_\_\_\_\_ .

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO. \_\_\_\_\_**

NOTES TO FINANCIAL STATEMENTS  
December 31, 20 \_\_\_\_

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**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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*A. DESCRIPTION OF FUND STRUCTURE AND LONG-TERM DEBT (cont.)*

**\*Fill in the blank using this chart. Do not reprint the chart.**

27 years if the district is created before October 1, 1995.

27 years if the district is created after September 30, 1995 and before October 1, 2004 if more than 50% is blighted or in need of rehabilitation; 31 years if extension has been granted.

23 years if the district is created after September 30, 1995 and before October 1, 2004 if more than 50% is suited for industrial sites under 4(gm)(4).

20 years if the district is created on or after October 1, 2004 and the district is predominantly suitable for mixed-use development or industrial sites under 4(gm)(6); 23 years if extension has been granted.

27 years if the district is created on or after October 1, 2004 and the district is a blighted area district or a rehabilitation or conservation district; 30 years if extension has been granted.

Original Project Plan	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. _____	_____	_____	_____
Plan Amendment	Adoption Date	Last Date to Incur Project Costs	
TID No. _____	_____	_____	

*B. BASIS OF ACCOUNTING (Modify as necessary if Statutory Basis was followed)*

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 \_\_\_\_\_ is entitled to the aids.

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and deferred revenues. \$\_\_\_\_\_ of outstanding special assessments are receivable as of the date of this report.

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

\_\_\_\_\_ of \_\_\_\_\_  
**TAX INCREMENTAL DISTRICT NO.** \_\_\_\_\_

NOTES TO FINANCIAL STATEMENTS  
December 31, 20 \_\_\_\_

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

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*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 periods are recognized as deferred revenue or a reservation of 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 settlement 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.

*G. CLAIMS AND JUDGMENTS*

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not liquidated with expendable available financial resources, a liability is shown in the long-term debt footnote disclosure. The related expenditure is recognized when the liability is liquidated.

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO. \_\_\_\_\_**

NOTES TO FINANCIAL STATEMENTS  
December 31, 20 \_\_\_\_

**NOTE 2 – CASH AND TEMPORARY INVESTMENTS**

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(lm) 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/village, maintains separate and common cash and investment accounts at the same financial institutions utilized by the city/village. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the \_\_\_\_\_ of \_\_\_\_\_ 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 AND MORTGAGE REVENUE BOND DEBT*

All general obligation notes and bonds payable are backed by the full faith and credit of the \_\_\_\_\_ of \_\_\_\_\_. Mortgage revenue debt is secured by the revenues derived from the operation of the \_\_\_\_\_ utility. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the \_\_\_\_\_ fund. If those revenues are not sufficient, payments will be made by future tax levies or utility revenues, as applicable.

<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-</u>
				\$	\$	\$
Description of individual debt issues						
				\$	\$	\$
Totals				\$	\$	\$

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO.** \_\_\_\_\_

NOTES TO FINANCIAL STATEMENTS  
December 31, 20\_\_

**NOTE 3 – LONG TERM DEBT** (cont.)

*A. GENERAL OBLIGATION AND MORTGAGE REVENUE BOND DEBT* (cont.)

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>Totals</u>
20__	\$ _____	\$ _____	\$ _____
20__			
20__			
20__			
20__			
20__			
20__			
20__			
20__			
Totals	\$ _____	\$ _____	\$ _____

\$ \_\_\_\_\_ is available in the \_\_\_\_\_ funds to service the debt shown.

*B. LEASES PAYABLE*

In \_\_\_\_\_, the \_\_\_\_\_ borrowed \$ \_\_\_\_\_ in Taxable Redevelopment Lease Revenue Bonds, Series \_\_\_\_\_. The \_\_\_\_\_ is (describe transaction) \_\_\_\_\_

This transaction is being recorded as a capital lease.

<u>Calendar Year</u>	
20__	\$ _____
20__	
20__	
20__	
20__	
20__	
20__	
20__	
Total	\$ _____

These payments are further broken down as follows:

Principal	\$ _____
Interest	_____
Total	\$ _____

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO. \_\_\_\_\_**

NOTES TO FINANCIAL STATEMENTS  
December 31, 20\_\_

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**NOTE 4 – ADVANCES FROM OTHER FUNDS**

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The \_\_\_\_\_ fund is advancing funds to TIF District No. \_\_\_\_\_. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the District’s inception. No repayment schedule has been determined for the advances. The \_\_\_\_\_ is charging the TIF District interest on the advance based on the average outstanding advance balance during the year at a rate of \_\_\_\_%. Following is a detailed repayment schedule [OR] (no repayment schedule has been established)

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**NOTE 5 – TAX INCREMENT (OMIT THIS NOTE IF A BALANCE SHEET IS PRESENTED)**

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The tax increment from the 20\_\_ tax roll which will be recorded as revenue in 20\_\_ is:

TID No. \_\_\_\_\_ \$ \_\_\_\_\_

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**NOTE 6 – GUARANTEED REVENUE**

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The \_\_\_\_\_ of \_\_\_\_\_ has entered into a development agreement with \_\_\_\_\_. The agreement guarantees that \_\_\_\_\_ shall pay the difference between the guaranteed tax increment and the tax increment actually levied. The guarantee obligation shall terminate when the \_\_\_\_\_ 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 \$ \_\_\_\_\_.

The \_\_\_\_\_ of \_\_\_\_\_ has entered into a development agreement with \_\_\_\_\_. The agreement guarantees the \_\_\_\_\_ will receive a tax increment equal to the annual applicable mill rate multiplied by \$ \_\_\_\_\_. \_\_\_\_\_ shall pay the difference between the guaranteed tax increment and the tax increment actually levied. \_\_\_\_\_’s guarantee obligation shall terminate when the \_\_\_\_\_ has collected from the tax increment generated from the district or paid under the agreement the full amount of the project costs or not less than \$ \_\_\_\_\_.

Under the agreement, if the \_\_\_\_\_ receives tax increments in excess of the amount necessary to service its borrowing obligations relating to the nonassessable project costs, the excess shall be paid into a segregated account. If the non assessable costs are fully recovered and the \_\_\_\_\_’s borrowing obligations relating to the project cost are repaid, the amount remaining in the segregated account together with interest earned shall be returned to the developers. The amount returned shall not exceed the aggregate amount paid by the developers. The \_\_\_\_\_ has collected \$ \_\_\_\_\_ in guarantees which have been deferred until the \_\_\_\_\_ can determine whether nonassessable costs are fully recovered.

\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO. \_\_\_\_\_**

NOTES TO FINANCIAL STATEMENTS  
December 31, 20 \_\_\_\_

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**NOTE 7 – LOANS RECEIVABLE**

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At December 31, \_\_\_\_\_, the District had outstanding loans receivable from developers totaling \$ \_\_\_\_\_. The loans are recorded as receivables by the District and repayments are recorded as a reduction of the receivable. All repayments are current. The loans are not considered to be project costs and are not reflected in the recoverable cost schedule.

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**NOTE 8 – INCREMENT SHARING**

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As allowable under TIF statutes, the \_\_\_\_\_ may share positive TIF increments. In \_\_\_\_\_, the \_\_\_\_\_ and joint review board approved sharing increments from TIF District No. \_\_\_\_ (donor district) to TIF District Nos. \_\_\_\_, \_\_\_\_, \_\_\_\_ and \_\_\_\_ (donee districts). Transfers of \$ \_\_\_\_\_ are reflected as recoverable costs in the donor district, and as project revenues in the donee district. Transfers were approved to begin in \_\_\_\_\_. **(Use this sentence if increment is being shared under 66.1105(6)(e) - the way that already existed):** TIF increment sharing is valid for a five year period, and can be extended for an additional five years by the joint review board. **(Use this sentence if increment is being shared under 66.1105(6)(f) – the new way):** TIF increment sharing is valid for the life of the district, whichever comes first, and the life of the donor district may not be extended. Transfers between districts are subject to various conditions in the statutes.

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**NOTE 9 – RESTATEMENT OF OPENING FUND BALANCE**

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The following adjustments were made to opening fund balance:

Fund Balance – December 31, ____	\$ _____
Add: _____	
Less: _____	_____
Fund Balance - January 1, ____	\$ _____

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**NOTE 10 – SUBSEQUENT EVENTS**

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\_\_\_\_\_ of \_\_\_\_\_

**TAX INCREMENTAL DISTRICT NO. \_\_\_\_\_**

NOTES TO FINANCIAL STATEMENTS  
December 31, 20 \_\_\_\_

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**NOTE 11 – REFUND TO OVERLYING DISTRICTS**

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The refund to overlying districts is calculated based on increments collected in excess of project costs using the ratio of tax levies in the 20 \_\_\_\_ tax roll as follows:

_____ County	\$
City/Village of	
_____ Schools	
_____ Technical College	_____
Total	\$ _____

[If no refund due to dissolution, describe reason, i.e., balance available was transferred to another district, etc.]

SUPPLEMENTAL INFORMATION

**Tax Incremental Financing District  
No. \_\_\_\_ - Detailed Schedule of Sources,  
Uses, and Status of Funds Follows**

SAMPLE REPORT ON COMPLIANCE WITH TAX  
INCREMENTAL FINANCING DISTRICT LAWS AND REGULATIONS  
(Instances of Noncompliance)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the City Council/Village Board

\_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_, Wisconsin

We have audited the accompanying [Combined] Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments and the related Historical Summary of sources, Uses and Status of Funds of the \_\_\_\_\_ of \_\_\_\_\_, Wisconsin Tax Incremental District No. \_\_\_\_ (the "District") as of December 31, 20 \_\_\_\_ and from the date the District was created through December 31, 20 \_\_\_\_ and have issued our report thereon dated \_\_\_\_\_, 20 \_\_\_\_.

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 of material misstatement.

Compliance with tax increment financing district laws, regulations and the project plan is the responsibility of \_\_\_\_\_ of \_\_\_\_\_, Wisconsin management. As part of obtaining reasonable assurance about whether the aforementioned financial statements are free of material misstatement, we performed test of \_\_\_\_\_'s compliance with Wisconsin State Statutes Section 66.1105 and the project plan. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the \_\_\_\_\_ of \_\_\_\_\_, Wisconsin complied in all material respects, with the provisions referred to in the proceeding paragraph, except for the following:

List

With respect to the items not tested, nothing came to our attention that caused us to believe that the \_\_\_\_\_ of \_\_\_\_\_, Wisconsin had not complied in all material respects, with those provisions.

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

\_\_\_\_\_, Wisconsin  
\_\_\_\_\_, 20\_\_\_\_

COMMENTS

(A) Audit, finance or similar committee; if none, then the governing body should be used.

SAMPLE REPORT ON COMPLIANCE WITH TAX  
INCREMENTAL FINANCING DISTRICT LAWS AND REGULATIONS  
(No Instances of Noncompliance)  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

To the City Council/Village Board

\_\_\_\_\_ of \_\_\_\_\_  
\_\_\_\_\_, Wisconsin

We have audited the accompanying [Combined] Balance Sheet, Historical Summary of Project Costs, Project Revenue and Net Cost to be Recovered Through Tax Increments and the related Historical Summary of Sources, Uses and Status of Funds of the \_\_\_\_\_ of \_\_\_\_\_, Wisconsin Tax Incremental District No. \_\_\_\_ (the "District") as of December 31, 20 \_\_\_\_ and from the date the District was created through December 31, 20 \_\_\_\_ and have issued our report thereon dated \_\_\_\_\_, 20 \_\_\_\_.

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 of material misstatement.

Compliance with tax increment financing district laws, regulations and the project plan is the responsibility of \_\_\_\_\_ of \_\_\_\_\_, Wisconsin management. As part of obtaining reasonable assurance about whether the aforementioned financial statement are free of material misstatement, we performed tests of \_\_\_\_\_'s compliance with Wisconsin State Statutes Section 66.1105 and the project plan. However, it should be noted that our objective was not to provide an opinion on overall compliance with such provisions.

The results of our test indicate that, with respect to the items tested, the \_\_\_\_\_ of \_\_\_\_\_, Wisconsin complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the \_\_\_\_\_ of \_\_\_\_\_, Wisconsin had not complied, in all material respects, with those provisions.

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

\_\_\_\_\_, Wisconsin  
\_\_\_\_\_, 20\_\_\_\_

COMMENTS

(A) Audit, finance or similar committee; if none, then the governing body should be used.