

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FROM DATE OF CREATION THROUGH DECEMBER 31, 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAcconnect.com

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
TABLE OF CONTENTS
FROM DATE OF CREATION THROUGH DECEMBER 31, 2022**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
BALANCE SHEET	5
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND NET COST TO BE RECOVERED THROUGH TAX INCREMENTS	6
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS	7
NOTES TO FINANCIAL STATEMENTS	8
SUPPLEMENTARY INFORMATION	
SCHEDULE OF FINANCIAL TRANSACTIONS	16
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR FINANCIAL STATEMENTS	
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT LAWS AND REGULATIONS	20



INDEPENDENT AUDITORS' REPORT

Village Board
Village of Hobart, Wisconsin

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Village of Hobart Tax Incremental District Number 1 (the District), which comprises of the balance sheet as of December 31, 2022, and the related historical summary of project costs, project revenues and net cost to be recovered through tax increments and historical summary of sources, uses, and status of funds for the year ended December 31, 2022, and from the date the District was created through December 31, 2022, 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 and the next project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds from the date of creation of the District through December 31, 2022, on the basis of the financial reporting provisions of the Wisconsin Department of Revenue as described in Note 1.

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

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. As described in Note 1 to the financial statements, the financial statements are prepared by the District on the basis of the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP), to comply with the requirements of the Wisconsin Department of Revenue. Our opinion is not modified with respect to this matter.

As discussed in Note 1, the financial statements present only the Village of Hobart Tax Incremental District Number 1 and do not purport to, and do not present fairly the financial position of the Village of Hobart, Wisconsin as of December 31, 2022, and the changes in its financial position from the date of creation through December 31, 2022, in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, which is a basis other than U.S. GAAP. 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 these financial statements in accordance with the financial reporting provisions of the Wisconsin Department of Revenue, as described in Note 1. Management is also responsible 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.

Auditors' Responsibility

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 opinions. 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 Village'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.

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.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of financial transactions 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 GAAS. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Matters

Report on Other Legal and Regulatory Requirements

In accordance with tax incremental district laws and regulations, we have also issued our report, dated January 8, 2024, on our test of its compliance with Wisconsin State Statutes 66.1105 and the project plan. The purpose of that report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. That report is an integral part of an audit performed in accordance with tax incremental district laws and regulations in considering the District's compliance.

Restriction on Uses

Our report is intended solely for the information and use of Village of Hobart, Wisconsin, overlapping tax districts, and the Wisconsin Department of Revenue and is not intended to be and should not be used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Green Bay, Wisconsin
January 8, 2024

FINANCIAL STATEMENTS

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
BALANCE SHEET
DECEMBER 31, 2022**

ASSETS

Cash and Investments	\$ 3,406,869
Receivables:	
Taxes Receivable	2,060,784
Loans	<u>3,656,395</u>
Total Assets	<u><u>\$ 9,124,048</u></u>

**LIABILITIES, DEFERRED INFLOWS OF RESOURCES,
AND FUND BALANCE**

LIABILITIES

Accounts Payable	\$ 324,219
Accrued and Other Current Liabilities	<u>69</u>
Total Liabilities	324,288

DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied for Subsequent Year	3,530,618
Loans Receivable	<u>2,056,395</u>
Total Deferred Inflows of Resources	5,587,013

FUND BALANCE

Restricted	2,064,991
Assigned	<u>1,147,756</u>
Total Fund Balance	<u>3,212,747</u>

Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 9,124,048</u></u>
--	----------------------------

See accompanying Notes to Financial Statements.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES, AND
NET COST TO BE RECOVERED THROUGH TAX INCREMENTS
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION
THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
PROJECT COSTS		
Capital Outlay	\$ 5,304,397	\$ 30,224,425
Administration	76,787	1,239,715
Developer Incentive Payments	1,207,386	12,499,458
Interest and Fiscal Charges	612,582	5,425,036
Transfer to Other Funds	-	1,115,494
Total Project Costs	7,201,152	50,504,128
PROJECT REVENUES		
Tax Increments	3,076,604	19,752,015
Intergovernmental	1,435	32,792
Developer Guarantee	-	30,831
Sale of Property	5,000	1,139,002
Premium from Long-Term Debt	237,714	594,334
Debt Repayments	128,851	602,345
Interest Income	61,307	138,979
Miscellaneous	-	2,316,260
Transfers In	-	2,263,250
Total Project Revenues	3,510,911	26,869,808
PROJECT REVENUES IN EXCESS OF PROJECT COSTS	\$ 3,690,241	\$ 23,634,320

The above net unreimbursed project costs of \$(23,634,320) on December 31, 2022 represents a net liability for TID Number 1 to the Village of Hobart, Wisconsin, consisting of the following:

Future maturities of principal and outstanding debt incurred by the Village for financing TID Number 1 projects	\$ 26,847,067
Less: Fund Balance in TID No. 1 Capital Projects Fund	(3,212,747)
Net Liability of TID Number 1 - December 31, 2022	\$ 23,634,320

See accompanying Notes to Financial Statements.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION
THROUGH DECEMBER 31, 2022**

	2022	From Date of Creation Through December 31, 2022
SOURCES OF FUNDS		
Tax Increments	\$ 3,076,604	\$ 19,752,015
Intergovernmental	1,435	32,792
Developer Guarantee	-	30,831
Sale of Property	5,000	1,139,002
Proceeds from Long-Term Debt	7,565,000	49,165,864
Premium from Long-Term Debt	237,714	594,334
Debt Repayments	128,851	602,345
Interest Income	61,307	138,979
Miscellaneous	-	2,316,260
Transfer In	-	2,263,250
Total Sources of Funds	11,075,911	76,035,672
USES OF FUNDS		
Capital Outlay	5,304,397	30,224,425
Administration	76,787	1,239,715
Developer Incentive Payments	1,207,386	12,499,458
Transfer to Other Funds	-	1,115,494
Principal	3,333,818	22,318,797
Interest	461,389	4,535,005
Debt Issuance Costs and Agency Fees	151,193	890,031
Total Uses of Funds	10,534,970	72,822,925
NET CHANGE IN FUND BALANCE	540,941	3,212,747
Fund Balance - Beginning of Year	4,879,526	-
FUND BALANCE - END OF YEAR	\$ 5,420,467	\$ 3,212,747

See accompanying Notes to Financial Statements.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Village of Hobart Tax Incremental District Number 1 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105, which is a basis of accounting other than accounting principles generally accepted in the United States of America (U.S. GAAP).

A. Reporting Entity

This report contains the financial information of the Village of Hobart Tax Incremental District Number 1. The accompanying financial statements do not include the full presentation of the Village of Hobart, Wisconsin and do not purport to represent the financial position or changes in financial position of the Village of Hobart. The financial statements of the District were prepared from data recorded in the District's capital project fund of the Village of Hobart and are presented in a format prescribed by the Wisconsin Department of Revenue.

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 statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the maximum life of the District, whichever occurs first. The statutes in effect at the time of creation of the District provided for a maximum life of 20 years. Project costs uncollected at the dissolution date are absorbed by the Village. Project costs may be incurred up to five years before the unextended termination date of the District. Listed below are the significant dates applicable to the District:

Creation Date	4/8/2009
Latest Date to Incur Project Expenditures	4/8/2027
Latest Termination Date	4/8/2032

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Measurement Focus and Basis of Accounting

The District's financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Project plan expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

District increments are recorded as revenues in the year due. Revenues susceptible to accrual include intergovernmental grants, intergovernmental charges for services, public charges for services and interest. Other revenues are recognized when received in cash or when measurable and available.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

C. Use of Estimates

The preparation of financial statements in conformity with the accounting provisions of the Wisconsin Department of Revenue 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. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance

1. Cash and Investments

Cash and investments are combined in the financial statements. Cash deposits consist of demand and time deposits with financial institutions and are carried at cost. Investments are stated at fair value. Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)

2. Property Taxes

When the District was created, the value of all taxable property within the defined boundaries of the District was determined by the Wisconsin Department of Revenue. This value is known as the base value of the District, and remains unchanged through the life of the District unless the Village amends District boundaries to add or remove properties. The Wisconsin Department of Revenue annually certifies the current value of all taxable property within the District.

Property taxes consist of taxes on real estate and personal property. They are levied during December of the prior year and become an enforceable lien on property the following January 1. Property taxes are payable in various options depending on the type and amount. Personal property taxes are payable on or before January 31 in full. Real estate taxes are payable in full by January 31 or in two equal installments on or before January 31 and July 31. Real estate taxes not paid by January 31 are purchased by the County as part of the February tax settlement.

Property taxes collected on the base value are shared with the overlying taxing jurisdictions while property taxes collected on the growth in value, also known as the increment value, are retained by the Village as tax increment revenue. The Village uses the tax increment revenue to pay for approved project plan expenditures. A summary of taxable value within the District as of December 31, 2022 follows:

Current Value	Base Value	Increment Value
\$ 274,504,700	\$ 20,991,900	\$ 253,512,800

3. Loans Receivable

The Village has invested resources to promote development and has passed the funds to various developers in the form of loans. The Village records a loan receivable and an expenditure when the loan has been made and the funds are disbursed. No allowance for uncollectible accounts has been provided since it was believed that the amount of such allowance would not be material to the financial statements. In the District, the Village records a deferred inflow of resources for the next amount of the receivable. As the loans are repaid, revenue is recognized. The total loans receivable which are not expected to be collected within one year is \$2,056,395.

4. Deferred Inflows of Resources

In additions to liabilities, the balance sheet will report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and so will not be recognized as an inflows of resources (revenue) until that time.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Liabilities, Deferred Inflows of Resources, and Fund Balance (Continued)

5. Long-Term Obligations

The District recognizes bond premiums and discounts, as well as bond issuance costs, during the period when received or paid. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceed received, are reported as debt service expenditures. Premiums received, discounts on debt issuance, issuance cost and interest on long-term debt are considered financing costs recoverable from revenues of the District.

6. Fund Balance

Fund balance is reported in various categories for TID funds based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable fund balance.** Amounts that are not in spendable form (such as inventory, prepaid items, or long-term receivables) or are legally or contractually required to remain intact.
- **Restricted fund balance.** Amounts that are constrained for specific purposes by external parties (such as grantor or bondholders), through constitutional provisions, or by enabling legislation.
- **Unassigned fund balance.** Only deficit amounts are shown in this category.

E. Project Plan Budget

The estimated revenues and expenditures of the District are adopted in the original project plan and any subsequent amendments. Those estimates are for the entire life of the District.

	<u>Creation/ Adoption Date</u>	<u>Approved Project Costs</u>
Original Project Plan	4/8/2009	\$ 65,446,978
Plan Amendment #1	8/26/2009	5,193,898
Plan Amendment #2	5/16/2017	<u>4,000,000</u>
Final Project Plan Costs		<u><u>\$ 74,640,876</u></u>

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 2 CASH AND TEMPORARY INVESTMENTS

The District invests in 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 price that would be received to sell an asset in an orderly transaction at the measurement date. 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 Village, maintains common cash and investment accounts. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village of Hobart as an individual municipality and, accordingly, the amount of insured funds is not determinable for the District.

NOTE 3 LONG-TERM OBLIGATIONS

During the life of the District, the Village of Hobart issued general obligation debt and revenue bonds backed by the full faith and credit of the Village to finance District project plan expenditures. The debt issued by the District will be retired by future tax increments.

The following is a summary of changes in long-term obligations of the District from the date of creation through December 31, 2022:

	Date of Creation	Issued	Retired	Outstanding 12/31/22	Due Within One Year
General Obligation Debt:					
Notes	\$ -	\$ 17,462,193	\$ 2,587,193	\$ 14,875,000	\$ 755,000
Bonds	-	10,200,630	6,658,510	3,542,120	285,865
Direct Borrowing	-	4,961,380	3,751,035	1,210,345	68,489
Total General Obligation Debt	-	32,624,203	12,996,738	19,627,465	1,109,354
Bond Anticipation Notes	-	8,008,351	8,008,351	-	-
Land Contract	-	5,818,310	1,008,708	4,809,602	580,472
Debt Premium	-	356,620	185,227	171,393	28,165
Revenue Bonds	-	2,715,000	305,000	2,410,000	100,000
Total Long-Term Obligation Debt	<u>\$ -</u>	<u>\$ 49,522,484</u>	<u>\$ 22,504,024</u>	<u>\$ 27,018,460</u>	<u>\$ 1,817,991</u>

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 LONG-TERM OBLIGATIONS (CONTINUED)

General Obligation Debt

General obligation debt currently outstanding is detailed as follows:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Bonds:					
General Obligation Refunding Bonds	1/28/14	3/1/29	2.00% - 3.80%	\$ 2,205,630	\$ 1,587,120
General Obligation Refunding Bonds	6/15/15	3/1/29	2.30% - 3.25%	1,090,000	870,000
General Obligation Refunding Bonds	8/8/16	3/1/29	2.20% - 2.80%	810,000	465,000
General Obligation Corporate Purpose Bonds	7/14/20	3/1/35	1.00% - 2.00%	620,000	620,000
Notes:					
General Obligation Notes	8/1/17	3/1/27	2.00% - 2.25%	2,800,000	2,250,000
Taxable General Obligation Notes	8/28/18	5/1/28	3.00% - 3.40%	1,015,000	710,000
General Obligation Notes	7/14/20	9/1/29	1.25% - 1.45%	1,190,000	1,045,000
General Obligation Notes	5/11/21	3/1/31	1.05% - 2.00%	2,705,000	2,705,000
Taxable General Obligation Notes	5/11/21	3/1/31	0.15% - 1.75%	720,000	600,000
General Obligation Promissory Notes	4/27/22	9/1/32	2.75% - 3.00%	7,565,000	7,565,000
Direct Borrowing:					
State Trust Fund Loan	10/26/16	3/15/36	3.50%	1,500,000	1,210,345
Total Outstanding					<u>19,627,465</u>
General Obligation Debt					<u>\$ 19,627,465</u>

Annual principal and interest maturities of the outstanding general obligation debt of \$19,627,465 on December 31, 2022 are detailed below:

Year Ended December 31,	Bonds and Notes		Direct Borrowing		Totals	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 1,040,865	\$ 511,315	\$ 68,489	\$ 42,362	\$ 1,109,354	\$ 553,677
2024	1,264,225	408,359	70,777	40,074	1,335,002	448,433
2025	1,535,060	376,706	73,363	37,488	1,608,423	414,194
2026	1,558,812	341,052	75,931	34,920	1,634,743	375,972
2027	1,713,822	301,475	78,589	32,262	1,792,411	333,737
2028 - 2032	11,304,336	735,660	436,039	118,217	11,740,375	853,877
2033 - 2036	-	-	407,157	36,249	407,157	36,249
Total	<u>\$ 18,417,120</u>	<u>\$ 2,674,567</u>	<u>\$ 1,210,345</u>	<u>\$ 341,572</u>	<u>\$ 19,627,465</u>	<u>\$ 3,016,139</u>

Land Contract

Land contract outstanding on December 31, 2022 totaled \$48,09,602 and was comprised of the following issue:

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 12/31/22
Land Contract	9/23/20	9/23/30	1.00%	\$ 5,818,310	<u>\$ 4,809,602</u>

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022**

NOTE 3 LONG-TERM OBLIGATIONS (CONTINUED)

Land Contract (Continued)

Annual principal and interest maturities of the outstanding land contract of \$4,809,602 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 580,472	\$ 48,096	\$ 628,568
2024	586,277	42,291	628,568
2025	592,140	36,428	628,568
2026	598,061	30,507	628,568
2027	604,042	24,526	628,568
2028 - 2030	1,848,610	37,094	1,885,704
Total	<u>\$ 4,809,602</u>	<u>\$ 218,942</u>	<u>\$ 5,028,544</u>

Revenue Bonds

Revenue bonds outstanding on December 31, 2022 totaled \$2,410,000 and were comprised of the following issue:

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance 12/31/22</u>
Revenue Bonds	8/7/18	5/1/38	3.25% - 3.5%	\$ 2,715,000	<u>\$ 2,410,000</u>

Annual principal and interest maturities of the outstanding revenue bonds of \$2,410,000 on December 31, 2022 are detailed below:

<u>Year Ended December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 110,000	\$ 78,550	\$ 188,550
2024	115,000	74,894	189,894
2025	120,000	71,075	191,075
2026	125,000	67,094	192,094
2027	130,000	62,950	192,950
2028 - 2032	725,000	246,755	971,755
2033 - 2037	885,000	113,404	998,404
2037 - 2038	200,000	3,500	203,500
Total	<u>\$ 2,410,000</u>	<u>\$ 718,222</u>	<u>\$ 3,128,222</u>

SUPPLEMENTARY INFORMATION

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD APRIL 8, 2009 THROUGH DECEMBER 31, 2022**

	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
REVENUES							
Tax Increments	\$ -	\$ -	\$ -	\$ 16,608	\$ 370,159	\$ 624,818	\$ 976,279
Intergovernmental	-	-	-	-	3,480	4,703	4,693
Developer Guarantee	-	-	-	-	-	-	30,831
Sale of Property	-	1,127,000	-	-	-	-	-
Proceeds from Long-Term Debt	-	6,525,500	2,243,280	878,351	5,210,000	-	4,710,423
Premium on Long-Term Debt	-	-	-	-	109,226	-	35,641
Debt Repayments	-	-	-	-	-	-	-
Interest Income	-	636	2,000	-	1,109	-	-
Miscellaneous Revenues	-	-	248,000	58,770	1,920,000	-	-
Transfer from Other Fund	1,950,000	-	-	313,250	-	-	-
Total Revenues	<u>1,950,000</u>	<u>7,653,136</u>	<u>2,493,280</u>	<u>1,266,979</u>	<u>7,613,974</u>	<u>629,521</u>	<u>5,757,867</u>
EXPENDITURES							
Capital Outlay	-	2,813,632	2,748,985	2,000	894,045	1,355,338	968,603
Administration	133,469	321,770	86,121	47,056	22,519	53,004	52,884
Developer Incentive Payments	-	-	1,481,059	146,504	1,066,730	17,949	49,857
Transfer to Other Fund	-	-	1,115,494	-	-	-	-
Principal on Long-Term Debt	-	-	-	1,873,780	5,100,000	240,000	3,258,351
Interest and Fiscal Charges	-	-	321,167	317,345	234,443	240,691	229,368
Debt Issuance Costs and Agency Fees	-	47,703	50,420	24,004	104,912	-	73,065
Total Expenditures	<u>133,469</u>	<u>3,183,105</u>	<u>5,803,246</u>	<u>2,410,689</u>	<u>7,422,649</u>	<u>1,906,982</u>	<u>4,632,128</u>
NET CHANGE IN FUND BALANCE	1,816,531	4,470,031	(3,309,966)	(1,143,710)	191,325	(1,277,461)	1,125,739
Fund Balance - Beginning of Year	<u>-</u>	<u>1,816,531</u>	<u>6,286,562</u>	<u>2,976,596</u>	<u>1,832,886</u>	<u>2,024,211</u>	<u>746,750</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,816,531</u>	<u>\$ 6,286,562</u>	<u>\$ 2,976,596</u>	<u>\$ 1,832,886</u>	<u>\$ 2,024,211</u>	<u>\$ 746,750</u>	<u>\$ 1,872,489</u>

See accompanying Notes to Supplementary Information

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
SCHEDULE OF FINANCIAL TRANSACTIONS (CONTINUED)
FOR THE PERIOD APRIL 8, 2009 THROUGH DECEMBER 31, 2022**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
REVENUES							
Tax Increments	\$ 1,274,399	\$ 1,112,022	\$ 1,265,509	\$ 2,136,549	\$ 2,703,275	\$ 2,950,212	\$ 3,245,581
Intergovernmental	2,900	1,863	1,381	1,401	8,066	1,435	1,435
Developer Guarantee	-	-	-	-	-	-	-
Sale of Property	-	-	1	-	5,001	-	2,000
Proceeds from Long-Term Debt	1,590,000	2,310,000	3,350,000	3,730,000	-	7,628,310	3,425,000
Premium on Long-Term Debt	47,754	25,454	41,340	24,436	-	12,254	60,515
Debt Repayments	-	-	-	110,851	110,851	125,941	125,851
Interest Income	-	-	3,515	18,088	37,329	14,111	884
Miscellaneous Revenues	-	-	-	1,000	5,693	3,000	79,797
Transfer from Other Fund	-	-	-	-	-	-	-
Total Revenues	<u>2,915,053</u>	<u>3,449,339</u>	<u>4,661,746</u>	<u>6,022,325</u>	<u>2,870,215</u>	<u>10,735,263</u>	<u>6,941,063</u>
EXPENDITURES							
Capital Outlay	874,310	1,897,257	508,857	1,897,276	1,706,428	3,871,090	5,382,207
Administration	80,629	45,952	81,425	70,401	60,755	59,470	47,473
Developer Incentive Payments	715,020	379,867	1,560,499	1,005,705	1,879,947	1,431,191	1,557,744
Transfer to Other Fund	-	-	-	-	-	-	-
Principal on Long-Term Debt	1,881,520	500,980	620,813	919,027	945,502	2,028,948	1,616,058
Interest and Fiscal Charges	323,127	291,431	284,248	430,876	488,289	449,246	463,385
Debt Issuance Costs and Agency Fees	49,689	25,431	66,789	142,850	-	72,059	81,916
Total Expenditures	<u>3,924,295</u>	<u>3,140,918</u>	<u>3,122,631</u>	<u>4,466,135</u>	<u>5,080,921</u>	<u>7,912,004</u>	<u>9,148,783</u>
NET CHANGE IN FUND BALANCE	(1,009,242)	308,421	1,539,115	1,556,190	(2,210,706)	2,823,259	(2,207,720)
Fund Balance - Beginning of Year	<u>1,872,489</u>	<u>863,247</u>	<u>1,171,668</u>	<u>2,710,783</u>	<u>4,266,973</u>	<u>2,056,267</u>	<u>4,879,526</u>
FUND BALANCE - END OF YEAR	<u>\$ 863,247</u>	<u>\$ 1,171,668</u>	<u>\$ 2,710,783</u>	<u>\$ 4,266,973</u>	<u>\$ 2,056,267</u>	<u>\$ 4,879,526</u>	<u>\$ 2,671,806</u>

See accompanying Notes to Supplementary Information

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 1
SCHEDULE OF FINANCIAL TRANSACTIONS (CONTINUED)
FOR THE PERIOD APRIL 8, 2009 THROUGH DECEMBER 31, 2022**

	<u>2022</u>	<u>Total</u>	<u>Original Project Plan</u>	<u>Project Plan Amendments</u>	<u>Total Project Plan</u>
REVENUES					
Tax Increments	\$ 3,076,604	\$ 19,752,015	\$ 64,598,411	\$ (27,640,374)	\$ 36,958,037
Intergovernmental	1,435	32,792	-	-	-
Developer Guarantee	-	30,831	-	-	-
Sale of Property	5,000	1,139,002	-	-	-
Proceeds from Long-Term Debt	7,565,000	49,165,864	-	-	-
Premium on Long-Term Debt	237,714	594,334	-	-	-
Debt Repayments	128,851	602,345	-	-	-
Interest Income	61,307	138,979	-	-	-
Miscellaneous Revenues	-	2,316,260	-	-	-
Transfer from Other Fund	-	2,263,250	-	-	-
Total Revenues	<u>11,075,911</u>	<u>76,035,672</u>	<u>64,598,411</u>	<u>(27,640,374)</u>	<u>36,958,037</u>
EXPENDITURES					
Capital Outlay	5,304,397	30,224,425	17,091,270	2,386,774	19,478,044
Administration	76,787	1,239,715	2,671,212	(64,394)	2,606,818
Developer Incentive Payments	1,207,386	12,499,458	-	3,000,000	3,000,000
Transfer to Other Fund	-	1,115,494	-	-	-
Principal on Long-Term Debt	3,333,818	22,318,797	33,430,000	2,015,000	35,445,000
Interest and Fiscal Charges	461,389	4,535,005	12,254,496	1,856,518	14,111,014
Debt Issuance Costs and Agency Fees	151,193	890,031	-	-	-
Total Expenditures	<u>10,534,970</u>	<u>72,822,925</u>	<u>65,446,978</u>	<u>9,193,898</u>	<u>74,640,876</u>
NET CHANGE IN FUND BALANCE	540,941	3,212,747	<u>\$ (848,567)</u>	<u>\$ (36,834,272)</u>	<u>\$ (37,682,839)</u>
Fund Balance - Beginning of Year	<u>2,671,806</u>	<u>-</u>			
FUND BALANCE - END OF YEAR	<u>\$ 3,212,747</u>	<u>\$ 3,212,747</u>			

See accompanying Notes to Supplementary Information

**ADDITIONAL INDEPENDENT AUDITORS' REPORT
FOR FINANCIAL STATEMENTS**



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT
LAWS AND REGULATIONS**

Village Board
Village of Hobart

We have audited, in accordance with auditing standards generally accepted in the United States of America, the accompanying financial statements of the Village of Hobart Tax Incremental District Number 1 (the District), which comprise of the balance sheet as of December 31, 2022, and the historical summary of project costs, project revenues and net costs to be recovered through tax increments, and the historical summary of sources, uses, and status of funds from the date the District was created through December 31, 2022, and the related notes to the financial statements, and have issued our report thereon dated January 8, 2024.

Compliance with State Statutes Section 66.1105

Wisconsin State Statutes Section 66.1105 covers compliance to be tested related to tax increment financing districts.

In connection with our audit, nothing came to our attention that caused us to believe that the Village of Hobart Tax Incremental District Number 1 failed to comply with the provisions of Wisconsin State Statutes Section 66.1105 and the project plan, insofar as they relate 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 provisions, insofar as they relate to accounting matters.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

This report is intended solely for the information and use of the Village Board, management, Wisconsin Department of Revenue, and overlapping taxing districts and is not intended to be, and should not be, used by anyone other than these specified parties.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Green Bay, Wisconsin
January 8, 2024



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.