

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION
FROM DATE OF CREATION THROUGH DECEMBER 31, 2022**



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**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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	15
ADDITIONAL INDEPENDENT AUDITORS' REPORT FOR FINANCIAL STATEMENTS	
INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS OF TAX INCREMENTAL FINANCING DISTRICT LAWS AND REGULATIONS	19



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 2 (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 net project costs to be recovered through tax increments as of December 31, 2022, and the sources, uses, and status of funds from the creation date 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 2 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 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 2
BALANCE SHEET
DECEMBER 31, 2022**

ASSETS

Cash and Investments	\$ 2,047,527
Receivables:	
Taxes Receivable	<u>1,229,401</u>
 Total Assets	 <u><u>\$ 3,276,928</u></u>

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

LIABILITIES

Accounts Payable	\$ 263,442
Accrued and Other Current Liabilities	<u>69</u>
Total Liabilities	263,511

DEFERRED INFLOWS OF RESOURCES

Property Taxes Levied for Subsequent Year	2,106,260
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FUND BALANCE

Restricted	<u>907,157</u>
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Total Liabilities, Deferred Inflows of Resources, and Fund Balance	<u><u>\$ 3,276,928</u></u>
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See accompanying Notes to Financial Statements.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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	\$ 467,968	\$ 8,614,581
Administration	53,278	370,786
Developer Incentive Payments	651,801	4,167,669
Interest and Fiscal Charges	182,656	1,790,747
Total Project Costs	1,355,703	14,943,783
PROJECT REVENUES		
Tax Increments	1,635,405	8,240,724
Intergovernmental	327	4,960
Sale of Property	53,236	95,068
Premium on Long-Term Debt	-	252,185
Interest Income	2,676	22,265
Miscellaneous	7,858	7,858
Total Project Revenues	1,699,502	8,623,060
PROJECT REVENUES IN EXCESS OF PROJECT COSTS	\$ (343,799)	\$ 6,320,723
<p>The above net unreimbursed project costs of \$6,320,723 on December 31, 2022 represents a net liability for TID Number 2 to the Village of Hobart, Wisconsin, consisting of the following:</p>		
<p>Future maturities of principal and outstanding debt incurred by the Village for financing TID Number 2 projects</p>		\$ 7,227,880
<p>Less: Fund Balance in TID Number 2 Capital Projects Fund</p>		(907,157)
<p>Net Liability of TID Number 2 - December 31, 2022</p>		\$ 6,320,723

See accompanying Notes to Financial Statements.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS
YEAR ENDED DECEMBER 31, 2022 AND FROM DATE OF CREATION
THROUGH DECEMBER 31, 2022**

	<u>2022</u>	<u>From Date of Creation Through December 31, 2022</u>
SOURCES OF FUNDS		
Tax Increments	\$ 1,635,405	\$ 8,240,724
Intergovernmental	327	4,960
Sale of Property	53,236	95,068
Proceeds from Long-Term Debt	-	14,126,326
Premium on Long-Term Debt	-	252,185
Interest Income	2,676	22,265
Miscellaneous	7,858	7,858
Total Sources of Funds	<u>1,699,502</u>	<u>22,749,386</u>
USES OF FUNDS		
Capital Outlay	467,968	8,614,581
Administration	53,278	370,786
Developer Incentive Payments	651,801	4,167,669
Principal	567,080	6,898,446
Interest	182,656	1,476,090
Debt Issuance Costs and Agency Fees	-	314,657
Total Uses of Funds	<u>1,922,783</u>	<u>21,842,229</u>
NET CHANGE IN FUND BALANCE	(223,281)	907,157
Fund Balance - Beginning of Year	<u>1,130,438</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 907,157</u>	<u>\$ 907,157</u>

See accompanying Notes to Financial Statements.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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 2 (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).

The District uses the criteria set forth by the Governmental Accounting Standards Board (GASB) to determine the scope of the reporting entity.

A. Reporting Entity

This report contains the financial information of the Village of Hobart Tax Incremental District Number 2. 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	6/24/2011
Latest Date to Incur Project Expenditures	6/24/2026
Latest Termination Date	6/24/2031

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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 2
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
\$ 137,809,100	\$ 3,285,500	\$ 134,523,600

3. Deferred Inflows of Resources

In addition 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 will not be recognized as an inflow of resources (revenue) until that time.

4. 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 the debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Premiums received, discounts on debt issuance, issuance costs and interest on long-term debt are considered financing costs recoverable from revenues of the District.

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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. 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	6/24/2011	\$ 19,872,755
Plan Amendment #1	7/7/2011	3,261,576
Plan Amendment #2	5/16/2017	<u>4,115,830</u>
Final Project Plan Costs		<u><u>\$ 27,250,161</u></u>

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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 backed by the full faith and credit of the Village to finance District project plan expenditures. The debt issued by the District will be retire 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	\$ -	\$ 4,667,807	\$ 2,302,807	\$ 2,365,000	\$ 325,000
Bonds	-	6,429,370	1,566,490	4,862,880	199,135
Direct Borrowing	-	1,322,500	1,322,500	-	-
Total General Obligation Debt	-	12,419,677	5,191,797	7,227,880	524,135
Bond Anticipation Notes	-	1,706,649	1,706,649	-	-
Debt Premium	-	252,185	147,200	104,985	21,943
Total Long-Term Obligation Debt	<u>\$ -</u>	<u>\$ 14,378,511</u>	<u>\$ 7,045,646</u>	<u>\$ 7,332,865</u>	<u>\$ 546,078</u>

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
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	2.75% - 3.125%	\$ 1,574,370	\$ 1,132,880
General Obligation Refunding Bonds	6/15/15	3/1/32	3.00% - 4.20%	2,040,000	1,100,000
General Obligation Refunding Bonds	8/8/16	3/1/32	2.15% - 2.80%	980,000	795,000
General Obligation Corporate Purpose Bonds	7/14/20	3/1/35	1.00% - 2.00%	1,835,000	1,835,000
Notes:					
General Obligation Notes	8/1/17	3/1/27	2.00% - 2.25%	1,265,000	895,000
General Obligation Notes	5/11/21	3/1/31	1.05% - 2.00%	1,620,000	1,470,000
Total Outstanding					
General Obligation Debt					<u>\$ 7,227,880</u>

Annual principal and interest maturities of the general obligation debt of \$7,227,880 on December 31, 2022 are detailed below:

Year Ended December 31,	Bonds and Notes		Total
	Principal	Interest	
2023	\$ 524,135	\$ 167,160	\$ 691,295
2024	575,775	155,907	731,682
2025	579,940	144,058	723,998
2026	591,188	131,059	722,247
2027	616,178	116,428	732,606
2028 - 2032	2,840,664	336,280	3,176,944
2033 - 2035	1,500,000	45,000	1,545,000
Total	<u>\$ 7,227,880</u>	<u>\$ 1,095,892</u>	<u>\$ 8,323,772</u>

NOTE 4 OTHER INFORMATION

Subsequent Event

On April 11, 2023, the Village issued \$3,500,000 general obligation bonds for the purpose of capital improvements in the Village of Hobart Tax Incremental District Number 2.

SUPPLEMENTARY INFORMATION

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
SCHEDULE OF FINANCIAL TRANSACTIONS
FOR THE PERIOD JUNE 24, 2011 THROUGH DECEMBER 31, 2022**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
REVENUES						
Tax Increments	\$ -	\$ -	\$ 65,071	\$ 319,829	\$ 531,309	\$ 638,451
Intergovernmental	-	-	68	283	172	508
Sale of Property	-	-	-	-	-	-
Proceeds from Long-Term Debt	1,706,649	-	-	3,089,677	2,040,000	980,000
Premium on Long-Term Debt	43,046	-	-	24,200	45,983	30,796
Interest Income	320	313	159	159	-	-
Miscellaneous Revenues	-	-	-	-	-	-
Total Revenues	<u>1,750,015</u>	<u>313</u>	<u>65,298</u>	<u>3,434,148</u>	<u>2,617,464</u>	<u>1,649,755</u>
EXPENDITURES						
Capital Outlay	-	-	-	1,481,298	660,564	593,154
Administration	-	4,582	16,140	27,568	59,346	-
Developer Incentive Payments	1,408,724	128,457	3,306	64,429	88,115	80,985
Principal on Long-Term Debt	-	-	-	1,706,649	1,328,580	284,020
Interest and Fiscal Charges	-	39,276	43,240	58,166	107,861	146,277
Debt Issuance Costs and Agency Fees	42,211	-	-	37,770	45,846	30,769
Total Expenditures	<u>1,450,935</u>	<u>172,315</u>	<u>62,686</u>	<u>3,375,880</u>	<u>2,290,312</u>	<u>1,135,205</u>
NET CHANGE IN FUND BALANCE	299,080	(172,002)	2,612	58,268	327,152	514,550
Fund Balance - Beginning of Year	<u>-</u>	<u>299,080</u>	<u>127,078</u>	<u>129,690</u>	<u>187,958</u>	<u>515,110</u>
FUND BALANCE - END OF YEAR	<u>\$ 299,080</u>	<u>\$ 127,078</u>	<u>\$ 129,690</u>	<u>\$ 187,958</u>	<u>\$ 515,110</u>	<u>\$ 1,029,660</u>

See accompanying Notes to Supplementary Information

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
SCHEDULE OF FINANCIAL TRANSACTIONS (CONTINUED)
FOR THE PERIOD JUNE 24, 2011 THROUGH DECEMBER 31, 2022**

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
REVENUES						
Tax Increments	\$ 659,048	\$ 693,005	\$ 928,710	\$ 1,286,245	\$ 1,483,651	\$ 1,635,405
Intergovernmental	315	319	2,314	327	327	327
Sale of Property	-	5,000	25,431	11,401	-	53,236
Proceeds from Long-Term Debt	2,855,000	-	-	1,835,000	1,620,000	-
Premium on Long-Term Debt	23,042	-	-	78,168	6,950	-
Interest Income	1,821	10,300	4,388	1,712	417	2,676
Miscellaneous Revenues	-	-	-	-	-	7,858
Total Revenues	<u>3,539,226</u>	<u>708,624</u>	<u>960,843</u>	<u>3,212,853</u>	<u>3,111,345</u>	<u>1,699,502</u>
EXPENDITURES						
Capital Outlay	1,573,651	1,604,184	346,467	1,284,213	603,082	467,968
Administration	67,110	24,809	40,996	48,164	28,793	53,278
Developer Incentive Payments	304,993	39,766	380,950	404,746	611,397	651,801
Principal on Long-Term Debt	384,187	209,187	204,188	307,695	1,906,860	567,080
Interest and Fiscal Charges	140,684	195,714	184,373	176,843	201,000	182,656
Debt Issuance Costs and Agency Fees	57,414	-	-	57,196	43,451	-
Total Expenditures	<u>2,528,039</u>	<u>2,073,660</u>	<u>1,156,974</u>	<u>2,278,857</u>	<u>3,394,583</u>	<u>1,922,783</u>
NET CHANGE IN FUND BALANCE	1,011,187	(1,365,036)	(196,131)	933,996	(283,238)	(223,281)
Fund Balance - Beginning of Year	<u>1,029,660</u>	<u>2,040,847</u>	<u>675,811</u>	<u>479,680</u>	<u>1,413,676</u>	<u>1,130,438</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 2,040,847</u></u>	<u><u>\$ 675,811</u></u>	<u><u>\$ 479,680</u></u>	<u><u>\$ 1,413,676</u></u>	<u><u>\$ 1,130,438</u></u>	<u><u>\$ 907,157</u></u>

See accompanying Notes to Supplementary Information

**VILLAGE OF HOBART, WISCONSIN
TAX INCREMENTAL DISTRICT NUMBER 2
SCHEDULE OF FINANCIAL TRANSACTIONS (CONTINUED)
FOR THE PERIOD JUNE 24, 2011 THROUGH DECEMBER 31, 2022**

	Total	Original Project Plan	Project Plan Amendments	Total Project Plan
REVENUES				
Tax Increments	\$ 8,240,724	\$ 13,276,400	\$ 14,482,547	\$ 27,758,947
Intergovernmental	4,960	-	-	-
Sale of Property	95,068	-	-	-
Proceeds from Long-Term Debt	14,126,326	-	-	-
Premium on Long-Term Debt	252,185	-	-	-
Interest Income	22,265	-	-	-
Miscellaneous Revenues	7,858	-	-	-
Total Revenues	<u>22,749,386</u>	<u>13,276,400</u>	<u>14,482,547</u>	<u>27,758,947</u>
EXPENDITURES				
Capital Outlay	8,614,581	5,427,168	4,589,810	10,016,978
Administration	370,786	1,113,813	(139,369)	974,444
Developer Incentive Payments	4,167,669	-	1,245,889	1,245,889
Principal on Long-Term Debt	6,898,446	9,850,000	1,985,000	11,835,000
Interest and Fiscal Charges	1,476,090	3,481,774	(303,924)	3,177,850
Debt Issuance Costs and Agency Fees	314,657	-	-	-
Total Expenditures	<u>21,842,229</u>	<u>19,872,755</u>	<u>7,377,406</u>	<u>27,250,161</u>
NET CHANGE IN FUND BALANCE	907,157	<u>\$ (6,596,355)</u>	<u>\$ 7,105,141</u>	<u>\$ 508,786</u>
Fund Balance - Beginning of Year	<u>-</u>			
FUND BALANCE - END OF YEAR	<u>\$ 907,157</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 2 (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, Wisconsin Tax Incremental District Number 2 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



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