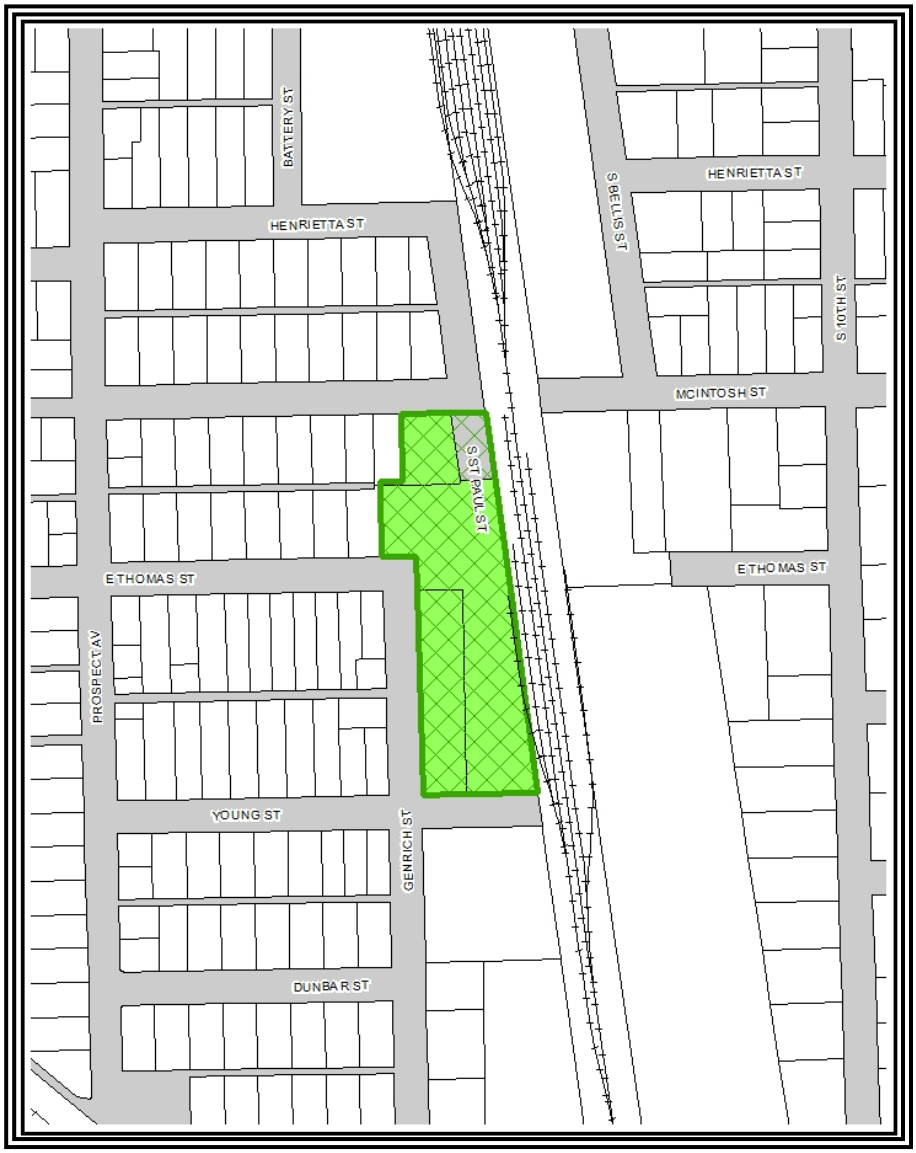
CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE



WAUSAU FINANCE

December 31, 2015

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

HISTORICAL SUMMARY OF PROJECT COSTS, PROJECT REVENUES AND NET COSTS TO BE RECOVERED THROUGH TAX INCREMENTS

For the Year Ended December 31, 2015
and From Date of Creation Through December 31, 2015

	Year Ended	From Date of Creation
PROJECT COSTS		
Capital expenditures		$ 4,550
Developer Grants and Incentives		600,000
Administration	554	11,320
Interest and fiscal charges	10,405	24,273
Debt issuance costs and discounts	-	28,140
Total Project Costs	$ 10,959	$ 668,283
PROJECT REVENUES		
Tax increments	$ 12,130	$ 12,130
Loan Repayments	48,086	48,086
Other Interest Income	9,448	9,448
Other Developer Payments	18,379	18,379
Investment Income	-	-
Exempt computer aid	101	140
Premium on Debt Issuance		1,300
Total Revenues	$ 88,144	$ 89,483
NET COST RECOVERABLE THROUGH TAX INCREMENTS	$ (77,185)	$ 578,800
RECONCILIATION OF RECOVERABLE COSTS		
General obligation debt		$ 500,000
Less: fund balance (deficit)		(78,800)
NET COSTS RECOVERABLE THROUGH TAX INCREMENTS		$ 578,800

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

HISTORICAL SUMMARY OF SOURCES, USES, AND STATUS OF FUNDS

For the Year Ended December 31, 2015
and From Date of Creation Through December 31, 2015

	Year Ended	From Date of Creation
SOURCES OF FUNDS		
Tax increments	$ 12,130	$ 12,130
Loan Repayments	48,086	48,086
Other Interest Income	9,448	9,448
Other Developer Payments	18,379	18,379
Investment Income	-	-
Exempt computer aid	101	140
Premium on Debt Issuance	-	1,300
Proceeds from long-term debt	-	630,000
Total Sources	$ 88,144	$ 719,483
USES OF FUNDS		
Capital expenditures	$ -	$ 4,550
Developers grants and incentives	-	600,000
Administration	554	11,320
Interest and fiscal charges	10,405	24,273
Debt issuance costs and discounts	-	28,140
Principal on long-term debt	65,000	130,000
Total Uses	$ 75,959	$ 798,283
BEGINNING FUND BALANCE (DEFICIT)	$ (90,985)	$ -
ENDING FUND BALANCE(DEFICIT)	$ (78,800)	$ (78,800)

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

DETAILED SUMMARY OF PROJECT COSTS
From Date of Creation Through December 31, 2015

	Actual	Project Plan Estimate
PROJECT COSTS		
Utility Infrastructure	$ -	$ 60,000
Residential Redevelopment	-	100,000
Developer Grants and Incentives	600,000	600,000
Administration	11,320	33,500
Contractual Services	4,550	-
Interest and fiscal Charges	24,273	
Financing Costs	28,140	120,000
TOTAL PROJECT COSTS	$ 668,283	$913,500

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL SUMMARY OF PROJECT COSTS AND REVENUES
From Date of Creation Through December 31, 2015

PROJECT COSTS	1 2012	2 2013	3 2014	4 2015	Totals	Project Plan Estimate
Capital expenditures		$ 3,318			$ 3,318	$ 160,000
Administrative (In-house)	5,739	2,743	2,284	554	11,320	33,500
Professional services	1,232				1,232	
Development grants/Incentives	132,196	467,804			600,000	600,000
Interest and fiscal charges			13,868	10,405	24,273	120,000
Interest on advance					-	
Transfer out to other funds					-	
Discount on long-term debt					-	
Principal on long-term debt			65,000		65,000	
Debt issuance costs		28,140			28,140	
Refunds to overlying taxing jurisdictions					-	
Environmental costs					-	
Real property assembly costs					-	
Total Costs	$ 139,167	$ 502,005	$ 81,152	$ 10,959	$ 733,283	$ 913,500
PROJECT REVENUES						
Tax increments				$ 12,130	$ 12,130	
Exempt computer aid			39	101	140	
Intergovernmental grants					-	
Other grants					-	
Special assessments & charges					-	
Investment income					-	
Transfer in from other funds					-	
Proceeds from long-term debt		630,000			630,000	
Premium on long-term debt		1,300			1,300	
User fees					-	
Sale of Land					-	
Miscellaneous					-	
Loan repayments principal				48,086	48,086	
Loan repayments interest				9,448	9,448	
Other developer payments				18,379	18,379	
					-	
					-	
					-	
Total Revenues	$ -	$ 631,300	$ 39	$ 88,144	$ 719,483	$ -

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

NOTE 1 – Tax Increment District Information:

The **City of Wausau** Tax Incremental District Number Eight (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 improvement costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the district. The tax on the increased value is called tax increment.

Project costs may not be incurred longer than 5 years prior to the mandated termination date of the district. The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the municipality.

Project plan and district objectives are:

a. Eliminate blight and foster urban renewal through public and private investment.
b. Enhance the development potential of private property within and adjacent to the District.
c. Improve the housing stock.
d. Provide appropriate financial incentives to encourage business expansion and attraction, thereby facilitating the creation of new jobs and increased tax base.
e. Increase per capita income in the community.
f. Strengthen the economic well-being and economic diversity of the Central City.
g. Reduce the financial risk to the taxpayer by timing the implementation of the Project Plan with the creation of additional property value through business expansions.

	Creation Date	Last Date to Incur Project Costs	Final Dissolution Date
District # 9	9/26/2012	9/25/2034	9/25/2039

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

NOTE 2 - Long-term Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the municipality. Notes borrowed to finance District expenditures will be retired by current available resources or by tax increments generated by the district. If those revenues are not sufficient, payments will be made by future tax levies.

	Original Amount Borrowed	Repaid	Balance 12/31/2015
2013B General Obligation Note	630,000	130,000	500,000
	$630,000	$130,000	$500,000

Aggregate maturities of all long-term debt relating to the District are as follows:

	PRINCIPAL	INTEREST	TOTAL
2016	65,000	9,674	74,674
2017	65,000	8,861	73,861
2018	65,000	7,935	72,935
2019	65,000	6,798	71,798
2020	60,000	5,520	65,520
2021	60,000	4,125	64,125
2022	60,000	2,580	62,580
2023	60,000	885	60,885
	500,000	46,378	546,378

NOTE 3 - Valuation of District

The City received notification from the State of Wisconsin Tax Incremental Financing Bureau of Equalization that the January 1, 2012 DOR certified base value of the district is $1,232,400.

YEAR	EQUALIZED VALUATION	PERCENTAGE CHANGE
2012	$1,232,400	
2013	1,055,300	-14.37%
2014	1,688,400	59.99%
2015	2,118,800	25.49%

NOTE 4 - Tax Increments

The District will recognize the first increment in the amount of $12,130 in 2015. The 2016 increment is $24,240.

NOTE 5 – Developer Agreements

The City of Wausau entered into a development agreement on November 23, 2012 with Bull Falls Brewery, LLC. The developer agreed to design, develop and construct an addition to their current building for the production of beer. The developer purchased additional abutting properties, razed the buildings in preparation for the construction. The properties values after constructed shall equal or exceed $1,600,000. In return the City of Wausau performed the following: vacated a street, and relocated a sanitary manhole, water hydrant and upgraded 30 feet of water main. In addition the City provided financial assistance in the form of a $200,000 grant for property acquisition and site demolition and preparation and a $400,000 loan. The loan terms provide for a 10 year amortization with a two year deferral and interest at 2.36%. At December 31, 2013 Loan and grant funds had been disbursed in full. The loan repayment will begin January of 2015.

	Authorized	Paid
Bull Falls Brewery, LLC		
Grant	$ 200,000	$ 200,000
Loan	400,000	400,000
	$ 600,000	$ 600,000

In conjunction, with redevelopment and development projects the Common Council may authorize the City to loan funds to developers. The following loans are currently outstanding:

	Term	Interest Rate	Deferral Period	Balance Outstanding
Bull Falls Brewery, LLC	10 Years	2.36%	2 Years	$ 370,795

CITY OF WAUSAU TAX INCREMENT DISTRICT NUMBER NINE

ANNUAL REPORT

TAX INCREMENTAL DISTRICT NUMBER NINE
PROJECTED CASH FLOW

CASH FLOW PROJECTIONS

	USES OF FUNDS					SOURCES OF FUNDS					
Year	Existing Annual Debt Service	Future Anticipated Annual Debt Service	Administrative, Organization, & Discretionary Costs	Developer Incentives	Capital Expenditures	Loan Repayments	Other Income	Debt Proceeds	Tax Increment	Annual Surplus (Deficit)	Cumulative Balance
ACTUAL											
2012			$6,971	$132,196						($139,167)	($139,167)
2013			$34,201	$467,804				$631,300		$129,295	($9,872)
2014	$78,868		$2,284				$39			($81,113)	($90,985)
2015	$75,405		$554			$57,534	$18,480		$12,130	$12,185	($78,800)
ESTIMATED											
2016	$75,405		$2,400			$57,534			$24,240	$3,969	($74,831)
2017	$73,861		$2,400		$100,000	$57,534		$100,000	$24,604	$5,877	($68,954)
2018	$72,935	$11,425	$2,400			$57,534			$24,973	($4,253)	($73,207)
2019	$71,798	$11,425	$2,400			$57,534			$25,348	($2,741)	($75,948)
2020	$65,520	$11,425	$2,400			$57,534			$25,728	$3,917	($72,031)
2021	$64,125	$11,425	$2,400			$57,534			$26,114	$5,698	($66,333)
2022	$62,580	$11,425	$2,400			$57,534			$26,506	$7,635	($58,698)
2023	$60,885	$11,425	$2,400			$57,534			$26,904	$9,728	($48,970)
2024		$11,425	$2,400			$57,534			$27,308	$71,017	$22,047
2025		$11,425	$2,400						$27,718	$13,893	$35,940
2026		$11,425	$2,400						$28,134	$14,309	$50,249
2027		$11,425	$2,400						$28,556	$14,731	$64,980
TOTAL	$701,382	$114,250	$72,810	$600,000	$100,000	$575,340	$18,519	$731,300	$328,263		