



Joint Review Board Meeting Agenda

August 21, 2024

5:00 PM

235 Hickory Street, Pewaukee, WI 53072

Village Hall Board Room

1. Call to Order and Roll Call.
2. Joint Review Board Meeting Minutes
 - a. October 23, 2023
3. New Business.
 - a. Review of 2023 TID #2 Annual Report and Audit
 - b. Review of 2023 TID #3 Annual Report and Audit
4. Adjournment.

Note: Notice is hereby given that a quorum of a Village Board, Committee and/or Commission may be present at this noticed meeting, and if so, this meeting shall be considered an informational meeting of that Committee or Commission and no formal action of that Committee or Commission shall occur. Upon reasonable notice, efforts will be made to accommodate the needs of disabled individuals through appropriate aids and services. To request such assistance, contact the Village Clerk at 262-691-5660.

Posted: August 15, 2024

**Village of Pewaukee
Joint Review Board Regular Meeting Minutes
Monday, October 23, 2023**

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1. Call to Order and Roll Call

Village President, Jeffrey Knutson, called the meeting to order at 3:01 p.m.

Present: Waukesha County Representative Andrew Thelke; Pewaukee School District Representative John Gahan; Vice President of Finance/CFO Jane Kittel; Village of Pewaukee Representative, President Jeff Knutson;

Also Present: Village Administrator, Scott Gosse; Village Clerk, Casandra Smith; Citizen Representative, Kelly Berriman

2. Joint Review Board Meeting Minutes

a. April 12, 2022

Andrew Thelke moved, seconded by Jane Kittel, to the April 12, 2022, Joint Review Board Minutes as Presented.

Motion carried unanimously.

b. July 22, 2022

Andrew Thelke moved, seconded by John Gahn, to the July 22, 2022, Joint Review Board Minutes as Presented.

Motion carried unanimously.

3. Appointment Public Member

Jane Kittel moved, seconded by Andrew Thelke, to appoint Kelly Berriman as the Public Member of the Joint Review Board.

Motion carried unanimously.

4. New Business

a. Review of 2022 TID #2 Annual Report and Audit

Administer Gosse stated that the TID is performing well and stated that future projects/funds consist of the following:

- Replacement of the Fishing Pier – completed in 2023.
- Jade Reef Properties PayGo - \$140,000
- Pedestrian Bridge - \$200,000

The pedestrian bridge may be funded by the Pewaukee River Partnership. Once a proposal has been presented and approved by the Village Board that item would be removed.

b. Review of 2022 TID #3 Annual Report and Audit

Administrator Gosse explained that TID#3 is the Cornerstone Development of the former St. Mary's School property which was a tax-exempt property and the TID performing well. Funds for two future projects are being held for a portion of the demolition and contamination removal of the old school and rectory building. The TID may have a possibility to close early.

8. Adjourn

John Gahn moved, seconded by Jane Kittel, to adjourn the October 23, 2023, meeting at approximately 3:12 p.m.

Motion carried unanimously.

Respectfully submitted,

**Casandra Smith
Village Clerk**

DRAFT



To: Joint Review Board

From: Scott A. Gosse
Village Administrator

Date: June 14, 2024

Re: Review of 2023 TID #2 and TID #3 Annual Reports

TID#2 Value Review

The 2023 TID value reported by the WI DOR on the 2023 Statement of Changes in TID Value was \$19,993,300 (copy attached). This represents an increment value of \$11,334,000 over the 2014 base value of \$8,659,300.

TID#2 2023 Review

2023 Revenues – TID#2 2023 revenues were \$194,423 which is broken down as follows:

Tax Increment:	\$178,225
Investment Income:	\$8,086
Exempt Computer Aid:	\$2,150
Other (Personal Prop. Tax Aid):	\$3,962

2023 Expenses – TID#2 2023 expenses were \$89,232 and are broken down as follows:

\$1,699 for 2023 Audit & WI DOR Annual TID Administrative Fee
\$16,909 for Principal on Debt (related to Improvement #1 \$200,000 and Improvement #2 \$206,010 Developer Grant)
\$14,518 for Interest on Debt (related to Improvement #1 \$200,000 and Improvement #2 \$206,010 Developer Grant)
\$73,015 for the purchase of a new fishing pier (related to Improvement #5 with \$100,000 allocated for this purpose)

The TID Fund balance as of 12/31/23 is \$370,303. A copy of the TID #2 2023 Audit and WI DOR Annual Report comparison are attached for your review/reference regarding the above information. Also attached are spreadsheets reviewing the different TID Projects, Project Allocations, Project Expenditures/Allocations, and Project Balances.

2023 and Forward Projects

1. Redevelopment of 221 W. Wisconsin Avenue – vacant gas station property – the Village entered into a developer's agreement with Jade Reef Properties for the redevelopment of this property as a new location for Chiropractic and Wellness on Pewaukee Lake. The development agreement provided for up to \$140,000 in TIF assistance on a pay-as-you-go (PAYGO) basis. No payments will be made for this project going forward as a minimum value requirement of not less than \$1,100,00 was required by 1/1/2021.

2. Pedestrian Bridge #2 (Improvement #2) – While this project is listed in the TID Project Plan (\$200,000), it is still not anticipated that funds will be allocated for this work as the Pewaukee River Partnership has indicated that they are raising funds to complete the project.
3. Downtown Redevelopment Plan (Improvement #4) – The Plan Commission and Village Board completed the Village Comprehensive Land Use Plan (LUP) in 2022. One component of the LUP update is a call out for a detailed plan for the downtown area. This focus may result in the Village Board utilizing the \$20,000 allocation for Improvement #4 at some point in the future.

TID#3 Value Review

The 2023 TID value reported by the WI DOR on the 2023 Statement of Changes in TID Value was \$6,726,700 (copy attached). This represents an increment value of \$6,726,700 over the 2021 base value of \$0.00.

TID#3 2023 Review

2023 Revenues – TID#3 2023 revenues were \$15,093 which is broken down as follows:

Investment Income:	\$610
Tax Increment:	\$14,483

2023 Expenses – TID#3 2023 expenses were \$110,668 and are broken down as follows:

- \$62,553 for capital expenditures related to sanitary sewer main upsizing project and design related expenses for the watermain project
- \$1,200 for 2022 Audit & WI DOR Annual TID Administrative Fee
- \$46,915 for Interest and Fiscal charges on Debt

The TID Fund balance as of 12/31/23 is \$132,138. A copy of the TID #3 2023 Audit and WI DOR Annual Report are attached for your review/reference regarding the above information. Also attached are spreadsheets reviewing the different TID Projects, Project Allocations, Project Expenditures/Allocations, and Project Balances.

2023 and Forward Projects

1. Improvement #2 – Raze former school/remove parking lot – The development agreement with Cornerstone Development related to the redevelopment of the property provides for \$55,915.48 in TIF assistance on a pay-as-you-go (PAYGO) basis.
2. Improvement #5 – Raze former rectory – The development agreement with Cornerstone Development related to the redevelopment of the property provides for \$44,084.52 in TIF assistance on a pay-as-you-go (PAYGO) basis.

There are no further projects anticipated beyond the two projects referenced above for TID #3 at this time.

Attachments

Form PE-300	TID Annual Report	2023 WI Dept of Revenue
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Section 1 – Municipality and TID					
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Co-muni code 67171	Municipality PEWAUKEE	County WAUKESHA	Due date 07/01/2024	Report type ORIGINAL	
TID number 002	TID type 2	TID name n/a	Creation date 07/15/2014	Mandatory termination date 07/15/2041	Expected termination date N/A

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	\$284,021

Section 3 – Revenue	Amount
Tax increment	\$178,225
Investment income	\$8,086
Debt proceeds	\$0
Special assessments	\$0
Shared revenue	\$6,112
Sale of property	\$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	\$192,423

Section 4 – Expenditures	Amount
Capital expenditures	\$73,015
Administration	\$500
Professional services	\$1,050
Interest and fiscal charges	\$14,518
DOR fees	\$150
Discount on long-term debt	\$0
Debt issuance costs	\$0
Principal on long-term debt	\$16,909
Environmental costs	\$0
Real property assembly costs	\$0
Allocation to another TID	
Developer grants	
Developer name n/a	\$0
Transfer to other funds	
Other expenditures	
Total Expenditures	\$106,142

Section 5 – Ending Balance	Amount
TID fund balance at end of year	\$370,302
Future costs	\$510,684
Future revenue	\$2,664,000
Surplus or deficit	\$2,523,618

Section 6 – TID New Construction

Current Year TID New Construction Values				
TID	TID New Construction Increase	TID New Construction Decrease	Prior Year Correction	TID Net New Construction (NNC)
002	\$0	\$0	\$0	\$0
003	\$6,011,500	\$-106,400	\$0	\$5,905,100
004	\$0	\$-264,400	\$0	\$-264,400
Total	\$6,011,500	\$-370,800	\$0	\$5,640,700

Current Year Allowable Levy Increase Attributable to TID NNC					
TID	TID Net New Construction	Prior Year Municipal Equalized Value	TID Net New Construction %	Prior Year Adjusted Actual Levy	Allowable Levy Increase Attributable to TID Net New Construction
002	\$0	\$1,177,242,600	0.00	\$4,054,585	\$0
003	\$5,905,100	\$1,177,242,600	0.50	\$4,054,585	\$20,273
004	\$-264,400	\$1,177,242,600	-0.02	\$4,054,585	\$-811
Total	\$5,640,700	\$1,177,242,600	0.48	\$4,054,585	\$19,462

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per \$100,000
\$0	\$0

Form PE-300	TID Annual Report	2023 WI Dept of Revenue
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Section 7 – Preparer/Contact Information	
Preparer name Scott Gosse	Preparer title Village Administrator
Preparer email sgosse@villageofpewaukee.gov	Preparer phone (262) 691-5660
Contact name Scott Gosse	Contact title Village Administrator
Contact email sgosse@villageofpewaukee.gov	Contact phone (262) 691-5660

Submission Information	
Co-muni code	67171
TID number	002
Submission date	05-02-2024 02:54 PM
Confirmation	TIDAR20231837O1714595165171
Submission type	ORIGINAL

Village of Pewaukee Tax Incremental District No. 2

Financial Statements and
Supplementary Information

December 31, 2023

Village of Pewaukee Tax Incremental District No. 2

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December 31, 2023

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Accountants' Compilation Report

To the Village Board of
Village of Pewaukee

Management is responsible for the accompanying Balance Sheet, 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 of the Village of Pewaukee's Tax Incremental District No. 2 (District) as of and for the year ended December 31, 2023 and from the date of creation through December 31, 2023, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to and do not, present fairly the financial position of the Village of Pewaukee as of December 31, 2023, the changes in its financial position or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the District's financial position and changes in financial position. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Baker Tilly US, LLP

Madison, Wisconsin
March 19, 2024

Village of Pewaukee Tax Incremental District No. 2

Balance Sheet
December 31, 2023

	Capital Projects Fund
Assets	
Cash	\$ 370,303
Taxes receivable	135,172
	<hr/>
Total assets	\$ 505,475
	<hr/> <hr/>
Liabilities, Deferred Inflows of Resources and Fund Balances	
Deferred Inflows of Resources	
Unearned revenue	\$ 135,172
	<hr/>
Total deferred inflows of resources	135,172
	<hr/>
Fund Balances	
Restricted	370,303
	<hr/>
Total fund balances	370,303
	<hr/>
Total liabilities, deferred inflows of resources and fund balances	\$ 505,475
	<hr/> <hr/>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 2

Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered

Through Tax Increments

Year Ended December 31, 2023 and From the Date of Creation Through December 31, 2023

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 73,015	\$ 408,921
Professional services	1,699	37,302
Developer grants	-	200,000
Interest and fiscal charges	14,518	86,308
	<u>89,232</u>	<u>732,531</u>
Project Revenues		
Tax increments	178,225	733,962
Exempt computer aid	2,150	15,185
Investment income	8,086	12,773
Miscellaneous revenues	3,962	19,810
	<u>192,423</u>	<u>781,730</u>
Net costs recoverable (recovered) through tax increments, December 31, 2023	<u>\$ (103,191)</u>	<u>\$ (49,199)</u>
Reconciliation of Recoverable Costs		
G.O. debt		\$ 321,104
Less fund balance		<u>(370,303)</u>
Net costs recoverable through tax increments, December 31, 2023		<u>\$ (49,199)</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 2

Historical Summary of Sources, Uses and Status of Funds

Through Tax Increments

Year Ended December 31, 2023 and From the Date of Creation Through December 31, 2023

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 178,225	\$ 733,962
Exempt computer aid	2,150	15,185
Investment income	8,086	12,773
Miscellaneous revenues	3,962	19,810
Long-term debt issued	-	406,000
	<hr/>	<hr/>
Total sources of funds	192,423	1,187,730
	<hr/>	<hr/>
Uses of Funds		
Capital expenditures	73,015	408,921
Professional services	1,699	37,302
Developer grants	-	200,000
Interest and fiscal charges	14,518	86,308
Principal on long-term debt	16,909	84,896
	<hr/>	<hr/>
Total uses of funds	106,141	817,427
	<hr/>	<hr/>
Excess of sources of funds over uses of funds	86,282	370,303
	<hr/>	<hr/>
Fund Balance, Beginning	284,021	-
	<hr/>	<hr/>
Fund Balance, Ending	<u>\$ 370,303</u>	<u>\$ 370,303</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Pewaukee's Tax Incremental District No. 2 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of Pewaukee (the Village) has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 2. The accompanying financial statements reflect all the significant operations of the District. The accompanying financial statements do not include the full presentation of the Village.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the District. The summary statements were prepared from data recorded in the following Village funds and the Village's long-term debt:

Tax Incremental District No. 2 - Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a 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 a tax increment.

The statutes allow the District 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 Village. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 2	January 1, 2014	July 15, 2036	2041

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the District is entitled to the aids.

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2023

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

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.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or as nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

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.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2023

The District, as a fund of the Village, maintains separate and common cash and investment accounts at the same financial institutions utilized by the Village. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the District.

3. Long-Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the TID No. 2 funds. If those revenues are not sufficient, payments will be made by future tax levies.

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12/31/2023
2015 State Trust Fund	09/23/2015	03/15/2035	3.75 %	\$ 200,000	\$ 55,607	\$ 144,393
2019 State Trust Fund	03/12/2019	03/15/2038	4.75	68,670	9,874	58,796
2019 State Trust Fund	05/29/2019	03/15/2039	4.75	137,330	19,415	117,915
Total				\$ 406,000	\$ 84,896	\$ 321,104

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

Calendar Year	Principal	Interest	Total
2024	\$ 17,580	\$ 13,846	\$ 31,426
2025	18,356	13,071	31,427
2026	19,128	12,300	31,428
2027	19,931	11,497	31,428
2028	20,739	10,688	31,427
2029-2033	117,685	39,448	157,133
2034-2038	97,478	14,161	111,639
2039	10,207	485	10,692
Total	\$ 321,104	\$ 115,496	\$ 436,600

4. Developer Agreements

During 2014, the Village entered into an agreement for the redevelopment of a parcel of land and improvements within the District. As part of the agreement, the Village has issued a State Trust Fund Loan in the amount of \$200,000 and contributed the proceeds to the developer for assistance with site development costs of properties within the District. The economic development grant is secured by a promissory note signed by the developer in the same amount. The project improvements when completed are guaranteed by the developer to produce tax revenue equal or greater to the guaranteed tax increment required of \$1,350,000.

Village of Pewaukee Tax Incremental District No. 2

Notes to Financial Statements
December 31, 2023

During 2019, the Village entered into an agreement for improvements within the District. As part of the agreement, the Village issued State Trust Fund Loans in the amount of \$206,000 and contributed the proceeds to BeachScape, LLC for assistance with site development costs of properties within the District. The economic development grant was secured by a promissory note signed by the developer in the same amount. The project improvements when completed are guaranteed by the developer to produce tax revenue equal or greater to the estimated minimum assessed value of \$3,000,000.

Village of Pewaukee Tax Incremental District No. 2

Detailed Schedule of Sources, Uses and Status of Funds
 From the Date of Creation Through December 31, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	Total	Project Plan Estimate
Sources of Funds												
Tax increments	\$ -	\$ -	\$ 11,767	\$ 52,323	\$ 92,665	\$ 42,000	\$ 54,330	\$ 155,180	\$ 147,472	\$ 178,225	\$ 733,962	\$ 1,910,158
Exempt computer aid	-	-	267	2,069	2,099	2,150	2,150	2,150	2,150	2,150	15,185	-
Investment income	-	-	-	-	-	1,640	686	81	2,280	8,086	12,773	2,919
Miscellaneous revenues	-	-	-	-	-	611	3,962	7,313	3,962	3,962	19,810	2,919
Proceeds from long-term debt	-	200,000	-	-	-	206,000	-	-	-	-	406,000	1,120,000
Total sources of funds	-	200,000	12,034	54,392	94,764	252,401	61,128	164,724	155,864	192,423	1,187,730	3,035,996
Uses of Funds												
Capital expenditures	-	10,190	10,228	79,456	2,272	208,760	25,000	-	-	73,015	408,921	720,000
Professional services	12,229	150	3,123	1,892	1,251	1,051	7,600	4,284	4,023	1,699	37,302	-
Developer grants	-	200,000	-	-	-	-	-	-	-	-	200,000	400,000
Interest and fiscal charges	-	-	-	11,075	7,347	7,053	15,266	15,851	15,198	14,518	86,308	553,058
Principal on long-term debt	-	-	-	4,090	7,819	8,112	16,161	15,576	16,229	16,909	84,896	1,120,000
Total uses of funds	12,229	210,340	13,351	96,513	18,689	224,976	64,027	35,711	35,450	106,141	817,427	2,793,058
Fund Balance, December 31, 2023											\$ 370,303	

Village of Pewaukee Tax Incremental District No. 2

Detailed Schedule of Capital Expenditures

From the Date of Creation Through December 31, 2023

	<u>Actual</u>	<u>Project Plan Estimate</u>
Site remediation	\$ 206,010	\$ 200,000
Pedestrian bridges	129,896	400,000
Downtown redevelopment plan	-	20,000
Public fishing pier replacement	73,015	100,000
	<hr/>	<hr/>
Total capital expenditures	<u>\$ 408,921</u>	<u>\$ 720,000</u>

2023 Statement of Changes in TID Value
 Wisconsin Department of Revenue
 Equalization Bureau

County 67 Waukesha Special District - 1 None
 Village 171 Pewaukee Special District - 2 None
 TID # 002 TID Type - Blight post-95 Special District - 3 None
 School District 4312 Sch D of Pewaukee Union High None

Current Year Value

	Assessed Value *	Ratio	DOR Full Value	Amended Full Value **	Final Full Value
Non-Manufacturing Real Estate and Personal Property	\$18,601,200	94.00%	\$19,788,500		\$19,788,500
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Prior Year Corrections:					
Non-Manufacturing Real Estate and Personal Property			\$204,800		\$204,800
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Frozen Overlap Value					\$0
<hr/>					
Current Year TID Value					\$19,993,300
2014 TID Base Value					\$8,659,300
TID Increment Value					\$11,334,000

* Municipal Assessor's final values filed on 06/08/2023

** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

2022 TID Value	2023 TID Value	Dollar Change	% Change
\$20,965,300	\$19,993,300	-\$972,000	-5

TID Project Expense Summary				
Projects	Project Allocation	Total	Balance	
		Expended/Allocated		
Improvement 1 - Site Remediation	\$ 200,000.00	\$ 200,000.00	\$	-
Improvement 2 - Pedestrian Bridge #1	\$ 200,000.00	\$ 129,896.82	\$	70,103.18
Improvement 2 - Pedestrian Bridge #2	\$ 200,000.00	\$ -	\$	200,000.00
Improvement 3 - Property Acquisition and/or Assistance	\$ 400,000.00	\$ 206,010.00	\$	193,990.00
Improvement 4 - Downtown Redevelopment Plan	\$ 20,000.00	\$ -	\$	20,000.00
Improvement 5 - Public Fishing Pier	\$ 100,000.00	\$ 73,015.00	\$	26,985.00
Total TID Plan Project Costs	\$ 1,120,000.00	\$ 608,921.82	\$	511,078.18

Administrative/Legal/Audit Expenses \$ 25,071.60

Year Ending 12/31/23

Form PE-300	TID Annual Report	2023 WI Dept of Revenue
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Section 1 – Municipality and TID					
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Co-muni code 67171	Municipality PEWAUKEE	County WAUKESHA	Due date 07/01/2024	Report type ORIGINAL	
TID number 003	TID type 2	TID name	Creation date 03/02/2021	Mandatory termination date 03/02/2049	Expected termination date N/A

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	\$227,713

Section 3 – Revenue	Amount
Tax increment	\$14,483
Investment income	\$610
Debt proceeds	\$0
Special assessments	\$0
Shared revenue	\$0
Sale of property	\$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Other revenue	
Total Revenue (deposits)	\$15,093

Section 4 – Expenditures	Amount
Capital expenditures	\$62,553
Administration	
Professional services	\$1,050
Interest and fiscal charges	\$46,915
DOR fees	\$1,500
Discount on long-term debt	
Debt issuance costs	
Principal on long-term debt	
Environmental costs	
Real property assembly costs	
Allocation to another TID	
Developer grants	
Developer name Cornerstone Development of SE WI LLC	\$0
Transfer to other funds	
Other expenditures	
Total Expenditures	\$112,018

Section 5 – Ending Balance	Amount
TID fund balance at end of year	\$130,788
Future costs	\$1,471,126
Future revenue	\$8,731,012
Surplus or deficit	\$7,390,674

Section 6 – TID New Construction

Current Year TID New Construction Values				
TID	TID New Construction Increase	TID New Construction Decrease	Prior Year Correction	TID Net New Construction (NNC)
002	\$0	\$0	\$0	\$0
003	\$6,011,500	\$-106,400	\$0	\$5,905,100
004	\$0	\$-264,400	\$0	\$-264,400
Total	\$6,011,500	\$-370,800	\$0	\$5,640,700

Current Year Allowable Levy Increase Attributable to TID NNC					
TID	TID Net New Construction	Prior Year Municipal Equalized Value	TID Net New Construction %	Prior Year Adjusted Actual Levy	Allowable Levy Increase Attributable to TID Net New Construction
002	\$0	\$1,177,242,600	0.00	\$4,054,585	\$0
003	\$5,905,100	\$1,177,242,600	0.50	\$4,054,585	\$20,273
004	\$-264,400	\$1,177,242,600	-0.02	\$4,054,585	\$-811
Total	\$5,640,700	\$1,177,242,600	0.48	\$4,054,585	\$19,462

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per \$100,000
\$0	\$0

Form PE-300	TID Annual Report	2023 WI Dept of Revenue
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Section 7 – Preparer/Contact Information	
Preparer name Scott Gosse	Preparer title Village Administrator
Preparer email sgosse@villageofpewaukee.gov	Preparer phone (262) 691-5660
Contact name Scott Gosse	Contact title Village Administrator
Contact email sgosse@villageofpewaukee.gov	Contact phone (262) 691-5660

Submission Information	
Co-muni code	67171
TID number	003
Submission date	05-02-2024 02:56 PM
Confirmation	TIDAR20231837O1714595624221
Submission type	ORIGINAL

Village of Pewaukee Tax Incremental District No. 3

Financial Statements and
Supplementary Information

December 31, 2023

Village of Pewaukee Tax Incremental District No. 3

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December 31, 2023

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Accountants' Compilation Report

To the Village Board of
Village of Pewaukee

Management is responsible for the accompanying Balance Sheet, 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 of the Village of Pewaukee's Tax Incremental District No. 3 (District) as of and for the year ended December 31, 2023 and from the date of creation through December 31, 2023, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to and do not, present fairly the financial position of the Village of Pewaukee as of December 31, 2023, the changes in its financial position or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. This information is the representation of management. This information was subject to our compilation engagement; however, we have not audited or reviewed the information and, accordingly, do not express an opinion, a conclusion, nor provide any form of assurance on such information.

Management has elected to omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America. If the omitted disclosures were included in the financial statements, they might influence the user's conclusion about the District's financial position and changes in financial position. Accordingly, the financial statements are not designed for those who are not informed about such matters.

Baker Tilly US, LLP

Madison, Wisconsin
March 19, 2024

Village of Pewaukee Tax Incremental District No. 3

Balance Sheet

December 31, 2023

	<u>Capital Projects Fund</u>
Assets	
Cash and investments	\$ 132,138
Taxes receivable	<u>80,224</u>
Total assets	<u>\$ 212,362</u>
Liabilities, Deferred Inflows of Resources and Fund Balances	
Deferred Inflows of Resources	
Unearned revenue	<u>\$ 80,224</u>
Total deferred inflows of resources	<u>80,224</u>
Fund Balances	
Restricted	<u>132,138</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 212,362</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 3

Historical Summary of Project Costs, Project Revenues and

Net Cost to be Recovered Through Tax Increments

Year Ended December 31, 2023 and From the Date of Creation Through December 31, 2023

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 62,553	\$ 1,887,947
Professional services, planning, engineering, other	1,200	38,142
Interest and fiscal charges on long-term debt	46,915	63,174
Debt issuance costs	-	105,551
	<u>110,668</u>	<u>2,094,814</u>
Project Revenues		
Tax increments	14,483	14,483
Investment income	610	1,528
Sale of property	-	1,125,169
Premium on long-term debt	-	10,772
	<u>15,093</u>	<u>1,151,952</u>
Net cost recoverable (recovered) through tax increments, December 31, 2023	<u>\$ 95,575</u>	<u>\$ 942,862</u>
Reconciliation of Recoverable Costs		
G.O. debt		\$ 1,075,000
Less fund balance		<u>(132,138)</u>
Net cost recoverable (recovered) through tax increments, December 31, 2023		<u>\$ 942,862</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 3

Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2023 and From the Date of Creation Through December 31, 2023

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 14,483	\$ 14,483
Investment income	610	1,528
Sale of property	-	1,125,169
Premium on long-term debt	-	10,772
Long-term debt issued	-	3,205,000
	<u>15,093</u>	<u>4,356,952</u>
Use of Funds		
Capital expenditures	62,553	1,887,947
Administration (in-house)	-	-
Professional services, planning, engineering, other	1,200	38,142
Interest and fiscal charges on long-term debt	46,915	63,174
Debt issuance costs	-	105,551
Principal on long-term debt	-	2,130,000
	<u>110,668</u>	<u>4,224,814</u>
Total sources of funds	<u>15,093</u>	<u>4,356,952</u>
Excess of sources of funds over (under) uses of funds	(95,575)	132,138
Fund Balance, Beginning	<u>227,713</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 132,138</u>	<u>\$ 132,138</u>

See notes to financial statements

Village of Pewaukee Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Pewaukee's Tax Incremental District No. 3 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of Pewaukee (the Village) has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of Tax Incremental District No. 3. The accompanying financial statements reflect all the significant operations of the District. The accompanying financial statements do not include the full presentation of the Village.

Description of Fund Structure and Long-Term Debt

This report contains the financial information of the District. The summary statements were prepared from data recorded in the following Village funds and the Village's long-term debt:

Tax Incremental District No. 3 - Capital Projects Fund

Detailed descriptions of the purpose of these funds and long-term debt can be found in the Village's basic financial statements.

The data was consolidated for purposes of this report. Therefore, the amounts shown in the accompanying statements will not directly correlate with amounts shown in the basic financial statements.

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a 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 a tax increment.

The statutes allow the District 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 Village. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan

	<u>Creation Date</u>	<u>Last Date to Incur Project Costs</u>	<u>Last Year to Collect Increment</u>
TID No. 3	January 1, 2021	March 2, 2043	2049

Basis of Accounting

The modified accrual basis of accounting was followed in the preparation of these statements. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Project costs, other than interest on long-term debt, are recorded when the related fund liability is incurred.

District increments are recorded as revenues in the year due. Intergovernmental aids and grants are recognized as revenues in the period the related expenditures are incurred, if applicable, or when the District is entitled to the aids.

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

Village of Pewaukee Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

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.

Measurement Focus

The measurement focus of all governmental funds is the funds flow concept. Under the funds flow concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable or unearned revenue or as nonspendable fund equity. Liabilities for claims, judgments, compensated absences and pension contributions which will not be currently liquidated using expendable available financial resources are shown in the long-term debt footnote disclosure. The related expenditures are recognized when the liabilities are liquidated.

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.

Long-Term Debt

Short-term liabilities are recorded as fund liabilities. All other long-term liabilities are shown in the long-term debt footnote disclosure.

Proceeds of long-term debt issues not recorded as fund liabilities are reflected as "Sources of Funds" in the operating statement of the recipient fund. Retirement of these issues is reported as an expenditure in the year in which the debt matures or is repaid, whichever is earlier.

Claims and Judgments

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments is only reported in governmental funds if it has matured. Claims and judgments are disclosed in the long-term debt footnote when the related liabilities are incurred.

2. Cash and Temporary Investments

The District invests its funds in accordance with the provisions of the Wisconsin Statutes 66.0603(1m) and 67.11(2).

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on quoted market prices. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment income.

The District, as a fund of the Village, maintains separate and common cash and investment accounts at the same financial institutions utilized by the Village. Federal depository insurance and the State of Wisconsin Guarantee fund insurance apply to the Village as an individual municipality, and, accordingly, the amount of insured funds is not determinable for the District.

Village of Pewaukee Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

3. Long-Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the Village. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the capital projects funds. If those revenues are not sufficient, payments will be made by future tax levies.

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

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12/31/2023
2021 Tax Anticipation Note	03/23/2021	07/01/2022	0.600 %	\$ 2,130,000	\$ 2,130,000	\$ -
2022 G.O Refunding Bond	06/30/2022	06/01/2033	3.750-3.800	1,075,000	-	1,075,000
Total				<u>\$ 3,205,000</u>	<u>\$ 2,130,000</u>	<u>\$ 1,075,000</u>

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

Calendar Year	Principal	Interest	Total
2024	\$ -	\$ 40,118	\$ 40,118
2025	-	40,118	40,118
2026	115,000	37,962	152,962
2027	120,000	33,556	153,556
2028	125,000	28,962	153,962
2029-2033	715,000	69,413	784,413
Total	<u>\$ 1,075,000</u>	<u>\$ 250,129</u>	<u>\$ 1,325,129</u>

4. Development Agreement

The Village has entered into a development agreement with Cornerstone Development of Southeastern Wisconsin LLC. The agreement guarantees the developer will receive incentive payments if certain conditions are met. The incentive is calculated based on 80% of tax increment and the developer commitment includes completing the initial construction of the buildings set forth in the project plan, such that the assessed value of the constructed improvements will be not less than \$7.2 million. Additionally, the developer shall complete construction of the improvements as part of the project plan such that the value of said improvements shall not be less than \$16 million by January 1, 2024 and \$23.69 million by January 1, 2025. No payments have been made to date.

Village of Pewaukee Tax Incremental District No. 3Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2023

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>Total</u>	<u>Project Plan Estimate</u>
Sources of Funds					
Tax increments	\$ -	\$ -	\$ 14,483	\$ 14,483	\$ 9,973,631
Investment income	-	918	610	1,528	174,972
Sale of property	1,125,169	-	-	1,125,169	-
Premium on long-term debt	-	10,772	-	10,772	-
Long-term debt issued	<u>2,130,000</u>	<u>1,075,000</u>	<u>-</u>	<u>3,205,000</u>	<u>4,175,000</u>
Total sources of funds	<u>3,255,169</u>	<u>1,086,690</u>	<u>15,093</u>	<u>4,356,952</u>	<u>14,323,603</u>
Uses of Funds					
Capital expenditures	1,500,000	325,394	62,553	1,887,947	2,490,000
Administration (in-house)	-	-	-	-	143,558
Professional services, planning, engineering, other	30,504	6,438	1,200	38,142	-
Interest and fiscal charges on long-term debt	-	16,259	46,915	63,174	499,672
Debt issuance costs	28,075	77,476	-	105,551	106,770
Principal on long-term debt	<u>-</u>	<u>2,130,000</u>	<u>-</u>	<u>2,130,000</u>	<u>4,175,000</u>
Total uses of funds	<u>1,558,579</u>	<u>2,555,567</u>	<u>110,668</u>	<u>4,224,814</u>	<u>7,415,000</u>
Fund Balance, December 31, 2023				<u>\$ 132,138</u>	

Village of Pewaukee Tax Incremental District No. 3

Detailed Schedule of Capital Expenditures

From the Date of Creation Through December 31, 2023

	<u>Actual</u>	<u>Project Plan Estimate</u>
Capital expenditures:		
Purchase of St. Mary's Property	\$ 1,500,000	\$ 1,500,000
Offsite sanitary sewer line upsizing from 8" to 12"	385,600	405,000
Evergreen Lane watermain relay	2,347	285,000
Razing of school/gym, environmental remediation	-	200,000
Razing of rectory, environmental remediation	-	100,000
	<u> </u>	<u> </u>
Total capital expenditures	<u>\$ 1,887,947</u>	<u>\$ 2,490,000</u>

2023 Statement of Changes in TID Value
 Wisconsin Department of Revenue
 Equalization Bureau

County 67 Waukesha Special District - 1 None
 Village 171 Pewaukee Special District - 2 None
 TID # 003 TID Type - Blight post-95 Special District - 3 None
 School District 4312 Sch D of Pewaukee Union High None

Current Year Value

	Assessed Value *	Ratio	DOR Full Value	Amended Full Value **	Final Full Value
Non-Manufacturing Real Estate and Personal Property	\$6,313,300	94.00%	\$6,716,300		\$6,716,300
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Prior Year Corrections:					
Non-Manufacturing Real Estate and Personal Property			\$10,400		\$10,400
Manufacturing Real Estate			\$0		\$0
Manufacturing Personal Property			\$0		\$0
Frozen Overlap Value					\$0
<hr/>					
Current Year TID Value					\$6,726,700
2021 TID Base Value					\$0
TID Increment Value					\$6,726,700

* Municipal Assessor's final values filed on 06/08/2023

** Amended Full Value based on information from Municipal Assessor

Changes in TID Equalized Values

2022 TID Value	2023 TID Value	Dollar Change	% Change
\$1,000,000	\$6,726,700	\$5,726,700	573

**TID #3
Future Expense Estimates**

	Debt principal	Debt Interest	Admin/Audit	TID Grant - razing school & rectory	TOTAL
2021					
2022					
2023					\$ -
2024		\$ 40,117.50	\$ 4,000.00		\$ 44,117.50
2025		\$ 40,117.50	\$ 4,000.00		\$ 44,117.50
2026	\$ 115,000.00	\$ 37,961.25	\$ 4,000.00	\$ 100,000.00	\$ 256,961.25
2027	\$ 120,000.00	\$ 33,555.00	\$ 4,000.00		\$ 157,555.00
2028	\$ 125,000.00	\$ 28,961.25	\$ 4,000.00		\$ 157,961.25
2029	\$ 130,000.00	\$ 24,180.00	\$ 4,000.00		\$ 158,180.00
2030	\$ 135,000.00	\$ 19,312.50	\$ 4,000.00		\$ 158,312.50
2031	\$ 145,000.00	\$ 14,236.25	\$ 4,000.00		\$ 163,236.25
2032	\$ 150,000.00	\$ 8,740.00	\$ 4,000.00		\$ 162,740.00
2033	\$ 155,000.00	\$ 2,945.00	\$ 4,000.00		\$ 161,945.00
2034			\$ 6,000.00		\$ 6,000.00
total	<u><u>\$ 1,075,000.00</u></u>	<u><u>\$ 250,126.25</u></u>	<u><u>\$ 46,000.00</u></u>	<u><u>\$ 100,000.00</u></u>	<u><u>\$ 1,471,126.25</u></u>