



VILLAGE OF MOUNT HOREB

E. Main Street

Mount Horeb, WI 53572

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VILLAGE BOARD & JOINT REVIEW BOARD AGENDA

Tuesday, June 25, 2024 at 3:00 PM

Municipal Building Board Room (VIRTUAL ONLY)

138 E. Main Street

Mount Horeb, WI

- 1) VIRTUAL MEETING LINK:
 - a. Today's meeting is VIRTUAL ONLY
[Join the meeting now](#)
Meeting ID: 222 612 248 819
Passcode: DPh8C2
- 2) Call to order
- 3) Roll call
- 4) Agenda Items
 - a. Consider Approval of Public Member
 - b. Review Annual PE-300 Report and the performance and status of
 1. Tax Incremental District No. 3
 2. Tax Incremental District No. 5
 - c. Approve Resolution 2024-06 Acknowledging Filing of Annual Reports and Compliance with Annual Meeting Requirement
- 5) Meeting adjournment.

UPON REASONABLE NOTICE, EFFORTS WILL BE MADE TO ACCOMMODATE THE NEEDS OF DISABLED INDIVIDUALS THROUGH APPROPRIATE AIDS AND SERVICES. FOR INFORMATION OR TO REQUEST THIS SERVICE, CONTACT ALYSSA GAFFNEY, CLERK, AT 138 E MAIN STREET, MOUNT HOREB, WI (608) 437-9404.



AGENDA ITEM REPORT

MEETING DATE

June 25, 2024

PREPARED BY

AGENDA ITEM # 4.a

Consider Approval of Public Member

BACKGROUND

VB President Czyzewski will announce recommended Public Member during meeting; at time of agenda publication member had not been confirmed.

RECOMMENDATION

ATTACHMENTS

None



AGENDA ITEM REPORT

MEETING DATE

June 25, 2024

PREPARED BY

AGENDA ITEM # 4.b

Review Annual PE-300 Report and the performance and status of

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. 2023 Form PE-300 TID Annual Report - TID 5
2. 2023 Form PE-300 TID Annual Report - TID 3

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	Municipality	County	Due date	Report type	
13157	MOUNT HOREB	DANE	07/01/2024	ORIGINAL	
TID number	TID type	TID name	Creation date	Mandatory termination date	Expected termination date
005	3	TID #5	08/10/2016	08/10/2043	N/A

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	\$-849,232

Section 3 – Revenue	Amount
Tax increment	\$753,479
Investment income	\$37
Debt proceeds	\$0
Special assessments	\$0
Shared revenue	\$5,471
Sale of property	\$730,000
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Grants	
Source Wisconsin Economic Development Corporation	\$44,849
Other revenue	
Total Revenue (deposits)	\$1,533,836

Section 4 – Expenditures	Amount
Capital expenditures	\$31,772
Administration	\$0
Professional services	\$2,045
Interest and fiscal charges	\$153,618
DOR fees	\$0
Discount on long-term debt	\$0
Debt issuance costs	\$0
Principal on long-term debt	\$150,000
Environmental costs	\$0
Real property assembly costs	\$0
Allocation to another TID	
Developer grants	
Developer name FACADE PROGRAM	\$19,012
Developer name HOFF MALL	\$40,071
Developer name TRI HOLDINGS	\$49,071
Developer name ARTEMIS CHEESE	\$46,780
Transfer to other funds	
Other expenditures	
Total Expenditures	\$492,369

Section 5 – Ending Balance	Amount
TID fund balance at end of year	\$192,235
Future costs	\$18,018,816
Future revenue	\$20,545,219
Surplus or deficit	\$2,718,638

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)
003	\$2,500,000	\$0	\$0	\$2,500,000
005	\$0	\$0	\$0	\$0
Total	\$2,500,000	\$0	\$0	\$2,500,000

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
003	\$2,500,000	\$1,021,582,400	0.24	\$3,871,035	\$9,290
005	\$0	\$1,021,582,400	0.00	\$3,871,035	\$0
Total	\$2,500,000	\$1,021,582,400	0.24	\$3,871,035	\$9,290

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per \$100,000
\$9,290	\$0.09290

Form PE-300	TID Annual Report	2023 WI Dept of Revenue
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Section 7 – Preparer/Contact Information	
Preparer name Denise Schwenn	Preparer title Treasurer
Preparer email denise.schwenn@mounthorebwi.info	Preparer phone (608) 437-9408
Contact name Denise Schwenn	Contact title Finance Director/Treasurer
Contact email denise.schwenn@mounthorebwi.info	Contact phone (608) 437-9408

Submission Information	
Co-muni code	13157
TID number	005
Submission date	04-10-2024 01:30 PM
Confirmation	TIDAR20230384O1712773858619
Submission type	ORIGINAL

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	Municipality	County	Due date	Report type	
13157	MOUNT HOREB	DANE	07/01/2024	ORIGINAL	
TID number	TID type	TID name	Creation date	Mandatory termination date	Expected termination date
003	4	TID #3	03/24/2004	03/24/2027	N/A

Section 2 – Beginning Balance	Amount
TID fund balance at beginning of year	\$-179,158

Section 3 – Revenue	Amount
Tax increment	\$808,941
Investment income	\$3,651
Debt proceeds	\$0
Special assessments	\$0
Shared revenue	\$14,626
Sale of property	\$0
Allocation from another TID	
Developer guarantees	
Transfer from other funds	
Source General Fund	\$54,342
Grants	
Other revenue	
Total Revenue (deposits)	\$881,560

Section 4 – Expenditures	Amount
Capital expenditures	\$0
Administration	\$0
Professional services	\$3,637
Interest and fiscal charges	\$115,963
DOR fees	\$0
Discount on long-term debt	\$0
Debt issuance costs	\$0
Principal on long-term debt	\$796,750
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	\$916,350

Section 5 – Ending Balance	Amount
TID fund balance at end of year	\$-213,948
Future costs	\$0
Future revenue	\$0
Surplus or deficit	\$-213,948

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)
003	\$2,500,000	\$0	\$0	\$2,500,000
005	\$0	\$0	\$0	\$0
Total	\$2,500,000	\$0	\$0	\$2,500,000

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
003	\$2,500,000	\$1,021,582,400	0.24	\$3,871,035	\$9,290
005	\$0	\$1,021,582,400	0.00	\$3,871,035	\$0
Total	\$2,500,000	\$1,021,582,400	0.24	\$3,871,035	\$9,290

Current Year Actual TID NNC Impact to Municipal Levy	
Levy Increase Attributable to TID Net New Construction	Increase per \$100,000
\$9,290	\$0.09290

Form PE-300	TID Annual Report	2023 WI Dept of Revenue
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Section 7 – Preparer/Contact Information	
Preparer name Denise Schwenn	Preparer title Treasurer
Preparer email denise.schwenn@mounthorebwi.info	Preparer phone (608) 437-9408
Contact name Denise Schwenn	Contact title Finance Director/Treasurer
Contact email denise.schwenn@mounthorebwi.info	Contact phone (608) 437-9408

Submission Information	
Co-muni code	13157
TID number	003
Submission date	04-10-2024 12:52 PM
Confirmation	TIDAR20230384O1712766111521
Submission type	ORIGINAL



AGENDA ITEM REPORT

MEETING DATE

June 25, 2024

PREPARED BY

AGENDA ITEM # 4.b.1

Tax Incremental District No. 3

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. Village of Mount Horeb 2023 - TIF 3 - Final

Village of Mount Horeb Tax Incremental District No. 3

Financial Statements and
Supplementary Information

December 31, 2023

Village of Mount Horeb 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 Mount Horeb

Management is responsible for the accompanying Combining 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 Mount Horeb'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 Mount Horeb 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. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. 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 omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical or historical context.

Baker Tilly US, LLP

Madison, Wisconsin
April 3, 2024

Village of Mount Horeb Tax Incremental District No. 3

Combining Balance Sheet
December 31, 2023

	<u>Original</u>	<u>Amendment</u>	<u>Total</u>
Assets			
Cash and investments	\$ 48,243	\$ -	\$ 48,243
Taxes receivable	825,120	54,428	879,548
Due from other funds	-	17,314	17,314
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 873,363</u>	<u>\$ 71,742</u>	<u>\$ 945,105</u>
Liabilities, Deferred Inflows of Resources and Fund Balances			
Liabilities			
Accounts payable	\$ 158	\$ -	\$ 158
Due to other funds	17,313	-	17,313
Advances from other funds	22,302	239,732	262,034
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>39,773</u>	<u>239,732</u>	<u>279,505</u>
Deferred Inflows of Resources			
Unearned tax revenues	825,120	54,428	879,548
	<u> </u>	<u> </u>	<u> </u>
Fund Balances			
Restricted for TIF districts	8,470	-	8,470
Unassigned (deficit)	-	(222,418)	(222,418)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances (deficit)	<u>8,470</u>	<u>(222,418)</u>	<u>(213,948)</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 873,363</u>	<u>\$ 71,742</u>	<u>\$ 945,105</u>

See notes to financial statements

Village of Mount Horeb Tax Incremental District No. 3

Historical Summary of Project Costs, Project Revenues and Net Cost to be Recovered Through Tax Increments
From the Date of Creation Through December 31, 2023

	Original		Amendment		Total	
	Year Ended	From Date of Creation	Year Ended	From Date of Creation	Year Ended	From Date of Creation
Project Costs						
Capital expenditures	\$ -	\$ 6,279,783	\$ -	\$ 687,950	\$ -	\$ 6,967,733
Administration (in-house)	-	54,293	-	-	-	54,293
Professional services (planning, engineering, other)	3,637	140,721	-	-	3,637	140,721
Interest and fiscal charges on long-term debt	112,250	4,221,775	3,713	275,624	115,963	4,497,399
Debt issuance costs	-	286,589	-	34,837	-	321,426
Payment to escrow	-	355,442	-	34,297	-	389,739
Total project costs	115,887	11,338,603	3,713	1,032,708	119,600	12,371,311
Project Revenues						
Tax increments	808,941	6,999,922	-	-	808,941	6,999,922
Exempt computer aid	3,463	38,711	-	-	3,463	38,711
Investment income	3,651	340,378	-	9,404	3,651	349,782
Developer guarantees	-	20,000	-	-	-	20,000
Miscellaneous income	11,163	271,755	-	6,827	11,163	278,582
Premium on debt issuance	-	364,757	-	30,072	-	394,829
Total project revenues	827,218	8,035,523	-	46,303	827,218	8,081,826
Net cost recoverable through tax increments, December 31, 2023		<u>\$ 3,303,080</u>		<u>\$ 986,405</u>		<u>\$ 4,289,485</u>
Reconciliation of Recoverable Costs						
Long-term debt outstanding		\$ 3,165,000		\$ 159,750		\$ 3,324,750
Levy/transfer from general fund to be repaid		146,550		604,237		750,787
Less (add) fund balance		(8,470)		222,418		213,948
Net costs recoverable through tax increments, December 31, 2023		<u>\$ 3,303,080</u>		<u>\$ 986,405</u>		<u>\$ 4,289,485</u>

See notes to financial statements

Village of Mount Horeb Tax Incremental District No. 3

Historical Summary of Sources, Uses and Status of Funds

From the Date of Creation Through December 31, 2023

	Original		Amendment		Total	
	Year Ended	From Date of Creation	Year Ended	From Date of Creation	Year Ended	From Date of Creation
Sources of Funds						
Tax increments	\$ 808,941	\$ 6,999,922	\$ -	\$ -	\$ 808,941	\$ 6,999,922
Transfer from general fund	-	146,550	54,342	604,237	54,342	750,787
Exempt computer aid	3,463	38,711	-	-	3,463	38,711
Investment income	3,651	340,378	-	9,404	3,651	349,782
Developer guarantees	-	20,000	-	-	-	20,000
Miscellaneous revenues	11,163	271,755	-	6,827	11,163	278,582
Premium on debt issuance	-	364,757	-	30,072	-	394,829
Long-term debt issued	-	20,005,000	-	1,633,703	-	21,638,703
Total sources of funds	827,218	28,187,073	54,342	2,284,243	881,560	30,471,316
Uses of Funds						
Capital expenditures	-	6,279,783	-	687,950	-	6,967,733
Administration (in-house)	-	54,293	-	-	-	54,293
Professional services (planning, engineering, other)	3,637	140,721	-	-	3,637	140,721
Interest and fiscal charges on long-term debt	112,250	4,221,775	3,713	275,624	115,963	4,497,399
Debt issuance costs	-	286,589	-	34,837	-	321,426
Payment to escrow	-	355,442	-	34,297	-	389,739
Principal on long-term debt	745,000	16,840,000	51,750	1,473,953	796,750	18,313,953
Total uses of funds	860,887	28,178,603	55,463	2,506,661	916,350	30,685,264
Excess (deficiency) of sources of funds over Uses of funds	(33,669)	8,470	(1,121)	(222,418)	(34,790)	(213,948)
Fund Balance (Deficit), Beginning	42,139	-	(221,297)	-	(179,158)	-
Fund Balance (Deficit), Ending	\$ 8,470	\$ 8,470	\$ (222,418)	\$ (222,418)	\$ (213,948)	\$ (213,948)

See notes to financial statements

Village of Mount Horeb 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 Mount Horeb'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 Mount Horeb (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 the District. 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 capital projects funds, debt service fund and the long-term debt of the District.

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 five years prior to the final dissolution date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the Village.

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	March 24, 2004	March 24, 2022	2027

Plan Amendment

	<u>Adoption Date</u>	<u>Last Date to Incur Project Costs</u>
TID No. 3	September 27, 2006	March 24, 2022

Village of Mount Horeb Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

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.

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and unavailable revenues. There were no special assessments receivable as of the date of this report.

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

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.

Village of Mount Horeb Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

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.

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 TIF District fund. If those revenues are not sufficient, payments will be made by future tax levies.

	Original Amount Borrowed	Repaid	Balance 12/31/2023
TIF Amendment Fund			
2006 Corporate Purpose bonds dated July 10, 2006 with an interest rate of 3.75 - 4.50%. Total amount borrowed was \$1,740,000, of which 45% was for TID No. 3. Final maturity was April 4, 2026. These were refunded in 2012.	\$ 783,203	\$ 783,203	\$ -
2012 Refunding bonds dated October 18, 2012 with an interest rate of 1.00 - 2.50%. Total amount borrowed was \$1,320,000, of which 45% was for TID No. 3. Final maturity is April 4, 2026. These were refunded in 2021.	594,000	594,000	-
2021 Promissory notes dated April 5, 2021 with an interest rate of 2.00%. Total amount borrowed was \$2,280,000, of which 11.25% was for TID No. 3. Final maturity is October 1, 2026.	256,500	96,750	159,750
Original TIF Fund			
2007 Refunding bonds dated October 30, 2007 with an interest rate of 3.875 - 4.10%. Total amount borrowed was \$2,900,000, of which 100% was for TID No. 3. Final maturity was April 1, 2027. These were refunded in 2014.	2,900,000	2,900,000	-

Village of Mount Horeb Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/2023</u>
2009 Refunding bonds dated March 30, 2009 with an interest rate of 4.00% - 4.50%. Total amount borrowed was \$4,135,000 of which 100% was for TID No. 3. These bonds were paid off in 2019.	\$ 4,135,000	\$ 4,135,000	\$ -
2014 Refunding bonds dated August 28, 2014 with an interest rate of 2.00% - 3.00%. Total amount borrowed was \$3,035,000 of which 100% was for TID No. 3. Final maturity is in 2027.	3,035,000	1,460,000	1,575,000
2017 Refunding bonds dated November 1, 2017 with an interest rate of 2.00 - 4.00%. Total amount borrowed was \$3,055,000 of which 100% was for TID No. 3. Final maturity is in 2027.	3,055,000	1,465,000	1,590,000
Total	<u>\$ 14,758,703</u>	<u>\$ 11,433,953</u>	<u>\$ 3,324,750</u>

Future principal and interest payments on TID general obligation debt are as follows:

<u>Calendar Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 801,750	\$ 91,590	\$ 893,340
2025	854,000	69,220	923,220
2026	854,000	43,140	897,140
2027	815,000	14,300	829,300
Total	<u>\$ 3,324,750</u>	<u>\$ 218,250</u>	<u>\$ 3,543,000</u>

Bond Anticipation Notes

Bond anticipation notes were issued to initially fund projects in TID No. 3. All amounts were repaid with proceeds of general obligation debt.

	<u>Original Amount Borrowed</u>	<u>Repaid</u>	<u>Balance 12/31/2023</u>
2004 Bond Anticipation notes dated November 1, 2004 with an interest rate of 3.00%. Final maturity was November 1, 2007.	\$ 2,815,000	\$ 2,815,000	\$ -
2006 Bond Anticipation notes dated June 1, 2006 with an interest rate of 4.25%. Final maturity was April 4, 2009.	4,065,000	4,065,000	-
Total	<u>\$ 6,880,000</u>	<u>\$ 6,880,000</u>	<u>\$ -</u>

Village of Mount Horeb Tax Incremental District No. 3

Notes to Financial Statements
December 31, 2023

4. Advances From Village General Fund

The general fund is advancing funds to TIF District No. 3 amendment. The amount advanced is determined by the cash flow needs of the District. No repayment schedule has been determined.

5. Guaranteed Revenue

The Village has entered into agreement with two developers with properties located in the District. The agreements guarantee that the developers shall pay a certain percentage of the debt payment due in relation to debt issued for improvements in the District. The guarantee obligation will terminate when the related debt is paid in full.

6. Developer Payments

No developer payments were made by the Village during 2023.

Village of Mount Horeb Tax Incremental District No. 3

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

	2004	2005	2006		2007		2008	
	Original	Original	Original	Amendment	Original	Amendment	Original	Amendment
Sources of Funds								
Tax increments	\$ -	\$ -	\$ 73,320	\$ -	\$ 100,532	\$ -	\$ 97,937	\$ -
Transfer from general fund	-	-	-	-	-	57,677	-	-
Exempt computer aid	-	-	-	-	-	-	-	-
Investment income	5,195	57,458	120,946	382	87,075	6,839	13,011	1,877
Developer guarantees	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	-	6,827	-	-
Premium on debt issuance	26,798	-	33,333	-	-	-	-	-
Long-term debt issued	2,815,000	-	4,065,000	783,203	2,900,000	-	-	-
Total sources of funds	2,846,993	57,458	4,292,599	783,585	3,087,607	71,343	110,948	1,877
Uses of Funds								
Capital expenditures	565,994	408,598	4,129,420	658,058	1,120,254	28,493	3,183	1,218
Administration (in-house)	8,950	1,840	3,553	-	1,755	-	2,727	-
Professional services (planning, engineering, other)	15,053	10,807	63,566	-	9,126	-	2,504	-
Interest and fiscal charges on long-term debt	-	84,470	142,018	-	342,213	25,509	280,490	31,526
Debt issuance costs	25,768	-	28,974	10,016	9,550	-	-	-
Payment to escrow	-	-	-	-	-	-	-	-
Principal on long-term debt	-	-	-	-	2,815,000	18,000	-	24,750
Total uses of funds	615,765	505,715	4,367,531	668,074	4,297,898	72,002	288,904	57,494
Excess (deficiency) of sources of funds over uses of funds	2,231,228	(448,257)	(74,932)	115,511	(1,210,291)	(659)	(177,956)	(55,617)
Fund Balance (Deficit), Beginning	-	2,231,228	1,782,971	-	1,708,039	115,511	497,748	114,852
Fund Balance (Deficit), Ending	\$ 2,231,228	\$ 1,782,971	\$ 1,708,039	\$ 115,511	\$ 497,748	\$ 114,852	\$ 319,792	\$ 59,235

Village of Mount Horeb Tax Incremental District No. 3

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

	2009		2010		2011		2012	
	Original	Amendment	Original	Amendment	Original	Amendment	Original	Amendment
Sources of Funds								
Tax increments	\$ 150,871	\$ -	\$ 179,019	\$ -	\$ 221,713	\$ -	\$ 176,865	\$ -
Transfer from general fund	-	-	-	-	4,101	-	65,240	-
Exempt computer aid	1,146	-	1,259	-	214	-	485	-
Investment income	11,105	306	1,532	-	226	-	227	-
Developer guarantees	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	4,265	-	8,012	-	115,868	-
Premium on debt issuance	-	-	-	-	-	-	-	17,652
Long-term debt issued	4,135,000	-	-	-	-	-	-	594,000
Total sources of funds	4,298,122	306	186,075	-	234,266	-	358,685	611,652
Uses of Funds								
Capital expenditures	536	181	51,798	-	-	-	-	-
Administration (in-house)	2,789	-	2,726	-	2,727	-	2,200	-
Professional services (planning, engineering, other)	7,759	-	7,057	-	4,139	-	3,325	-
Interest and fiscal charges on long-term debt	291,581	29,440	292,260	29,473	292,260	28,343	292,260	27,160
Debt issuance costs	70,000	-	-	-	-	-	-	18,565
Payment to escrow	-	-	-	-	-	-	-	34,297
Principal on long-term debt	4,065,000	27,000	-	29,250	-	29,250	-	589,703
Total uses of funds	4,437,665	56,621	353,841	58,723	299,126	57,593	297,785	669,725
Excess (deficiency) of sources of funds over uses of funds	(139,543)	(56,315)	(167,766)	(58,723)	(64,860)	(57,593)	60,900	(58,073)
Fund Balance (Deficit), Beginning	319,792	59,235	180,249	2,920	12,483	(55,803)	(52,377)	(113,396)
Fund Balance (Deficit), Ending	\$ 180,249	\$ 2,920	\$ 12,483	\$ (55,803)	\$ (52,377)	\$ (113,396)	\$ 8,523	\$ (171,469)

Village of Mount Horeb Tax Incremental District No. 3

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

	2013		2014		2015		2016	
	Original	Amendment	Original	Amendment	Original	Amendment	Original	Amendment
Sources of Funds								
Tax increments	\$ 194,199	\$ -	\$ 343,303	\$ -	\$ 397,585	\$ -	\$ 366,740	\$ -
Transfer from general fund	31,209	-	46,000	-	-	50,674	-	57,037
Exempt computer aid	1,439	-	963	-	5,573	-	3,604	-
Investment income	251	-	1,004	-	2,379	-	1,655	-
Developer guarantees	-	-	-	-	-	-	-	-
Miscellaneous revenues	64,930	-	-	-	-	-	-	-
Premium on debt issuance	-	-	104,681	-	-	-	-	-
Long-term debt issued	-	-	3,035,000	-	-	-	-	-
Total sources of funds	292,028	-	3,530,951	-	405,537	50,674	371,999	57,037
Uses of Funds								
Capital expenditures	-	-	-	-	-	-	-	-
Administration (in-house)	2,526	-	2,500	-	2,500	-	2,500	-
Professional services (planning, engineering, other)	1,622	-	1,536	-	1,100	-	1,696	-
Interest and fiscal charges on long-term debt	292,260	14,149	241,268	14,097	257,569	12,937	252,719	12,037
Debt issuance costs	-	-	63,474	-	-	-	-	-
Payment to escrow	-	-	222,487	-	-	-	-	-
Principal on long-term debt	-	38,250	2,900,000	40,500	35,000	45,000	225,000	45,000
Total uses of funds	296,408	52,399	3,431,265	54,597	296,169	57,937	481,915	57,037
Excess (deficiency) of sources of funds over uses of funds	(4,380)	(52,399)	99,686	(54,597)	109,368	(7,263)	(109,916)	-
Fund Balance (Deficit), Beginning	8,523	(171,469)	4,143	(223,868)	103,829	(278,465)	213,197	(285,728)
Fund Balance (Deficit), Ending	\$ 4,143	\$ (223,868)	\$ 103,829	\$ (278,465)	\$ 213,197	\$ (285,728)	\$ 103,281	\$ (285,728)

Village of Mount Horeb Tax Incremental District No. 3

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

	2017		2018		2019		2020	
	Original	Amendment	Original	Amendment	Original	Amendment	Original	Amendment
Sources of Funds								
Tax increments	\$ 501,525	\$ -	\$ 576,181	\$ -	\$ 630,197	\$ -	\$ 674,933	\$ -
Transfer from general fund	-	56,137	-	72,168	-	71,268	-	78,352
Exempt computer aid	3,332	-	3,381	-	3,463	-	3,463	-
Investment income	1,870	-	15,929	-	13,697	-	1,972	-
Developer guarantees	-	-	-	-	-	-	-	-
Miscellaneous revenues	-	-	-	-	1,350	-	34,027	-
Premium on debt issuance	199,945	-	-	-	-	-	-	-
Long-term debt issued	3,055,000	-	-	-	-	-	-	-
Total sources of funds	<u>3,761,672</u>	<u>56,137</u>	<u>595,491</u>	<u>72,168</u>	<u>648,707</u>	<u>71,268</u>	<u>714,395</u>	<u>78,352</u>
Uses of Funds								
Capital expenditures	-	-	-	-	-	-	-	-
Administration (in-house)	2,500	-	2,500	-	2,500	-	2,500	-
Professional services (planning, engineering, other)	1,315	-	1,210	-	1,345	-	1,249	-
Interest and fiscal charges on long-term debt	245,884	7,971	181,460	10,238	176,300	9,337	162,900	8,325
Debt issuance costs	88,823	-	-	-	-	-	-	-
Payment to escrow	132,955	-	-	-	-	-	-	-
Principal on long-term debt	3,305,000	45,000	320,000	45,000	330,000	45,000	700,000	45,000
Total uses of funds	<u>3,776,477</u>	<u>52,971</u>	<u>505,170</u>	<u>55,238</u>	<u>510,145</u>	<u>54,337</u>	<u>866,649</u>	<u>53,325</u>
Excess (deficiency) of sources of funds over uses of funds	(14,805)	3,166	90,321	16,930	138,562	16,931	(152,254)	25,027
Fund Balance (Deficit), Beginning	<u>103,281</u>	<u>(285,728)</u>	<u>88,476</u>	<u>(282,562)</u>	<u>178,797</u>	<u>(265,632)</u>	<u>317,359</u>	<u>(248,701)</u>
Fund Balance (Deficit), Ending	<u>\$ 88,476</u>	<u>\$ (282,562)</u>	<u>\$ 178,797</u>	<u>\$ (265,632)</u>	<u>\$ 317,359</u>	<u>\$ (248,701)</u>	<u>\$ 165,105</u>	<u>\$ (223,674)</u>

Village of Mount Horeb Tax Incremental District No. 3

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

	2021		2022		2023		Subtotal	Subtotal	Total	Project
	Original	Amendment	Original	Amendment	Original	Amendment	Original	Amendment		Plan
Sources of Funds										Estimate
Tax increments	\$ 721,871	\$ -	\$ 784,190	\$ -	\$ 808,941	\$ -	\$ 6,999,922	\$ -	\$ 6,999,922	\$ 13,956,026
Transfer from general fund	-	54,422	-	52,160	-	54,342	146,550	604,237	750,787	-
Exempt computer aid	3,463	-	3,463	-	3,463	-	38,711	-	38,711	-
Investment income	368	-	827	-	3,651	-	340,378	9,404	349,782	654,649
Developer guarantees	-	-	20,000	-	-	-	20,000	-	20,000	-
Miscellaneous revenues	20,977	-	11,163	-	11,163	-	271,755	6,827	278,582	-
Premium on debt issuance	-	12,420	-	-	-	-	364,757	30,072	394,829	-
Long-term debt issued	-	256,500	-	-	-	-	20,005,000	1,633,703	21,638,703	7,005,000
Total sources of funds	746,679	323,342	819,643	52,160	827,218	54,342	28,187,073	2,284,243	30,471,316	21,615,675
Uses of Funds										
Capital expenditures	-	-	-	-	-	-	6,279,783	687,950	6,967,733	8,185,955
Administration (in-house)	2,500	-	2,500	-	-	-	54,293	-	54,293	-
Professional services (planning, engineering, other)	1,250	-	1,425	-	3,637	-	140,721	-	140,721	124,450
Interest and fiscal charges on long-term debt	148,463	4,210	133,150	7,159	112,250	3,713	4,221,775	275,624	4,497,399	6,300,270
Debt issuance costs	-	6,256	-	-	-	-	286,589	34,837	321,426	-
Payment to escrow	-	-	-	-	-	-	355,442	34,297	389,739	-
Principal on long-term debt	700,000	310,500	700,000	45,000	745,000	51,750	16,840,000	1,473,953	18,313,953	7,005,000
Total uses of funds	852,213	320,966	837,075	52,159	860,887	55,463	28,178,603	2,506,661	30,685,264	21,615,675
Excess (deficiency) of sources of funds over uses of funds	(105,534)	2,376	(17,432)	1	(33,669)	(1,121)	8,470	(222,418)	(213,948)	-
Fund Balance (Deficit), Beginning	165,105	(223,674)	59,571	(221,298)	42,139	(221,297)	-	-	-	-
Fund Balance (Deficit), Ending	\$ 59,571	\$ (221,298)	\$ 42,139	\$ (221,297)	\$ 8,470	\$ (222,418)	\$ 8,470	\$ (222,418)	\$ (213,948)	\$ -

Village of Mount Horeb Tax Incremental District No. 3

Detailed Schedule of Capital Expenditures

From the Date of Creation Through December 31, 2023

	<u>Project Expenditures</u>	<u>Project Plan Estimate</u>
Projects Included in Original Project Plan		
County Highway ID	\$ 2,951,620	\$ 3,084,700
East Corridor Sanitary Sewer	575,167	569,194
East Corridor Water	92,258	92,258
North Side Regional Basin	444,238	410,385
Lillehammer Extension	100,000	100,000
Water Tower and Well	357,500	357,500
Site Grading	1,759,000	1,759,000
	<u>6,279,783</u>	<u>6,373,037</u>
Subtotal	6,279,783	6,373,037
Additional Projects Identified in Project Plan Amendment		
County Highway ID	687,450	1,543,468
County Highway ID Entry Feature	500	50,000
Military Ridge State Trail Bridge Restoration	-	184,450
TID Business Recruitment	-	35,000
	<u>687,950</u>	<u>1,812,918</u>
Subtotal	687,950	1,812,918
Total capital expenditures	<u>\$ 6,967,733</u>	<u>\$ 8,185,955</u>



AGENDA ITEM REPORT

MEETING DATE

June 25, 2024

PREPARED BY

AGENDA ITEM # 4.b.2

Tax Incremental District No. 5

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. Village of Mount Horeb 2023 - TIF 5 - Final

Village of Mount Horeb Tax Incremental District No. 5

Financial Statements and
Supplementary Information

December 31, 2023

Village of Mount Horeb Tax Incremental District No. 5

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December 31, 2023

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Accountants' Compilation Report

To the Village Board of
Village of Mount Horeb

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 Mount Horeb's Tax Incremental District No. 5 (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 Mount Horeb 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. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. 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 omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economical or historical context.

Baker Tilly US, LLP

Madison, Wisconsin
April 3, 2024

Village of Mount Horeb Tax Incremental District No. 5

Balance Sheet
December 31, 2023

Assets	
Cash	\$ 241,463
Taxes receivable	<u>753,477</u>
Total assets	<u><u>\$ 994,940</u></u>
Liabilities, Deferred Inflows of Resources and Fund Balance	
Liabilities	
Accounts payable	<u>\$ 49,228</u>
Total liabilities	<u>49,228</u>
Deferred Inflows of Resources	
Unearned revenue	<u>753,477</u>
Total deferred inflows of resources	<u>753,477</u>
Fund Balance	
Unassigned	<u>192,235</u>
Total liabilities, deferred inflows of resources and fund balance	<u><u>\$ 994,940</u></u>

See notes to financial statements

Village of Mount Horeb Tax Incremental District No. 5

Historical Summary of Project Costs, Project Revenues

and Net Cost to be Recovered Through Tax Increments

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
Project Costs		
Capital expenditures	\$ 31,772	\$ 2,080,634
Administration (in-house)	-	15,000
Professional services, planning, engineering, other	2,045	292,104
Developer grants	154,934	4,707,301
Interest and fiscal charges on long-term debt	153,618	913,563
Debt issuance costs	-	90,513
	<u>342,369</u>	<u>8,099,115</u>
Project Revenues		
Tax increments	753,479	2,910,646
Exempt computer aid and personal property aid	5,471	359,300
Investment income	37	15,928
Miscellaneous revenue	44,850	109,803
Sale of property	730,000	1,174,934
	<u>1,533,837</u>	<u>4,570,611</u>
Net cost recoverable (recovered) through tax increments, December 31, 2023	<u>\$ (1,191,468)</u>	<u>\$ 3,528,504</u>
Reconciliation of Recoverable Costs		
Long-term debt outstanding		\$ 3,720,740
Less fund balance		<u>(192,235)</u>
Net cost recoverable through tax increments, December 31, 2023		<u>\$ 3,528,505</u>

See notes to financial statements

Village of Mount Horeb Tax Incremental District No. 5

Historical Summary of Sources, Uses and Status of Funds

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

	<u>Year Ended</u>	<u>From Date of Creation</u>
Sources of Funds		
Tax increments	\$ 753,479	\$ 2,910,646
Exempt computer aid and personal property aid	5,471	359,300
Investment income	37	15,928
Miscellaneous revenue	44,849	109,802
Sale of property	730,000	1,174,934
Long-term debt issued	-	4,740,740
	<hr/>	<hr/>
Total sources of funds	1,533,836	9,311,350
Uses of Funds		
Capital expenditures	31,772	2,080,634
Administration (in-house)	-	15,000
Professional services, planning, engineering, other	2,045	292,104
Developer grants	154,934	4,707,301
Interest and fiscal charges on long-term debt	153,618	913,563
Debt issuance costs	-	90,513
Principal on long-term debt	150,000	1,020,000
	<hr/>	<hr/>
Total uses of funds	492,369	9,119,115
	<hr/>	<hr/>
Excess of sources of funds over uses of funds	1,041,467	192,235
	<hr/>	<hr/>
Fund Balance (Deficit), Beginning	(849,232)	-
	<hr/>	<hr/>
Fund Balance, Ending	\$ 192,235	\$ 192,235
	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements

Village of Mount Horeb Tax Incremental District No. 5

Notes to Financial Statements
December 31, 2023

1. Summary of Significant Accounting Policies

The accounting policies of the Village of Mount Horeb's Tax Incremental District No. 5 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The Village of Mount Horeb (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 the District. 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 capital projects fund and the long-term debt of the District.

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 20 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. 5	August 8, 2016	August 18, 2038	2043

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.

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and unavailable revenues. There were no special assessments receivable as of the date of this report.

Village of Mount Horeb Tax Incremental District No. 5

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.

Village of Mount Horeb Tax Incremental District No. 5

Notes to Financial Statements
December 31, 2023

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.

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 TIF District No. 5 fund. 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
2017 general obligation anticipation note	12/01/2017	06/01/2019	1.17 %	\$ 500,000	\$ 500,000	\$ -
2018 general obligation bonds	07/02/2018	04/01/2038	3.00-4.00	475,740	75,000	400,740
2018 general obligation taxable refunding bonds	07/02/2018	04/01/2038	3.80-4.20	<u>3,765,000</u>	<u>445,000</u>	<u>3,320,000</u>
Total				<u>\$ 4,740,740</u>	<u>\$ 1,020,000</u>	<u>\$ 3,720,740</u>

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

Calendar Year	Principal	Interest	Total
2024	\$ 160,000	\$ 147,418	\$ 307,418
2025	170,000	140,818	310,818
2026	180,000	133,618	313,618
2027	195,000	125,699	320,699
2028	205,000	117,255	322,255
2029-2033	1,230,000	451,335	1,681,335
2034-2038	<u>1,580,740</u>	<u>171,055</u>	<u>1,751,795</u>
Total	<u>\$ 3,720,740</u>	<u>\$ 1,287,198</u>	<u>\$ 5,007,938</u>

Village of Mount Horeb Tax Incremental District No. 5

Notes to Financial Statements

December 31, 2023

4. Guaranteed Revenue

The Village has entered into agreements with developers with properties located in the District. The agreements guarantee that the developers shall pay a certain percentage of the debt payments due in relation to debt issued for improvements in the District. The guarantee obligation will terminate when the related debt is paid in full.

5. Economic Development Incentives

The Village has provided an economic development incentive in the amount of \$3,500,000 to Duluth Holdings, Inc. to help pay costs associated with this development. The development is within Tax Incremental District No. 5. The Village borrowed \$3,765,000 in G.O. Promissory Bonds during 2018 for this payment and placed the proceeds in a segregated third-party escrow account. These funds have been used to complete the project.

As of December 31, 2023, the Village has provided \$3,500,000 in economic development incentive payments to Duluth Holdings, Inc.

If the developed property does not have a property tax assessment of at least \$18,000,000 in any tax year commencing in the 2020 tax year, Duluth Holdings, Inc. shall pay to the Village the difference between what the property taxes would have been if the property had a property tax assessment of \$18,000,000 and the actual property taxes paid by the developer (the shortfall payment) in the corresponding revenue year, commencing in revenue year 2020 and through year 2043.

Further, under any and all circumstances, Duluth Holdings, Inc. agrees to guarantee, on an annual basis, full payment of the bond repayments.

The Village has agreed to provide an economic development incentive in the amount of \$87,500 to Botham Investments, LLC, to help pay for costs associated with development of property. Beginning in 2022 through the year 2036 the developer shall annually make a payment of \$7,198 to the Village to pay back the Village the principal and interest associated with the incentive payment. To the extent that any tax increment is not sufficient, Botham Investments, LLC, is obligated to make shortfall payments.

6. Municipal Revenue Obligation

The Village issued the following municipal revenue obligations as part of development agreements in TIF District No. 5:

Duluth Holdings, Inc.

In 2019 the Village issued a municipal revenue obligations as part of a development agreement. The amount of the obligation to be paid is the lesser of the percentages of the available tax increment to be paid or \$3,000,000. The obligation is payable solely from available tax increment generated by the property. As of December 31, 2023, the Village has made total payments of \$201,572.

Artisan Food Emporium

The amount to be paid to the developer shall be the lesser of the percentages of the available tax increment or \$35,000 and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5. Interest on the municipal revenue obligation is not being charged.

Village of Mount Horeb Tax Incremental District No. 5

Notes to Financial Statements

December 31, 2023

Payments are scheduled to commence in 2020 through the year 2043. The balance of the commitment outstanding at year end was \$35,000.

Hoff Mall Project - Bus

The amount of the obligation issued in 2017 was \$626,000 and is payable to the developer solely from tax increments collected from a specific portion of the development in TIF No. 5.

Payments are scheduled through the year 2043 and carry an interest rate of 4%. As of December 31, 2023, the Village has made total payments of \$200,355.

These obligations do not constitute a charge upon any funds of the Village. In the event that future tax increments are not sufficient to pay off the obligation, the obligation terminates with no further liability to the Village. Since the amount of future payments is contingent on the collection of future TIF increments, the obligations are not reported as a liability in the accompanying financial statements

SSMS Investments, LLC

The Village has entered into an agreement with SMS Investments, LLC to issue a municipal revenue obligation to pay the developer the lesser of the percentage of the available tax increment, as defined within the agreement or \$300,000 plus interest. The amount paid to the developer shall not exceed \$538,330. The obligation shall be structured at a variable rate of 5.25% remaining in effect unless the developer exercises its right to have the rate adjusted under conditions found within the agreement. As of December 31, 2023, no amounts have been paid.

Wyser Properties, LLC

In 2021, the Village issued a municipal revenue obligations as part of a development agreement. The amount of the obligation to be paid is the lesser of the percentage of the available tax increment to be paid or \$59,958. The obligation is payable solely from available tax increment generated by the property. As of December 31, 2023, no amounts have been paid.

Artemis Provisions and Cheese, LLC

In 2022, the Village entered into an agreement with Artemis Provisions and Cheese, LLC to issue a municipal revenue obligation to pay the developer on each annual payment date 75% of the available tax increment generated from the property. The amount of the obligation to be paid shall not exceed \$125,000. As of December 31, 2023, the Village has made total payments of \$46,780.

Village of Mount Horeb Tax Incremental District No. 5

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

	2016	2017	2018	2019	2020	2021	2022	2023	Total	Project Plan Estimate
Sources of Funds										
Tax increments	\$ -	\$ -	\$ 19,649	\$ 231,020	\$ 569,573	\$ 648,987	\$ 687,938	\$ 753,479	\$ 2,910,646	\$ 29,856,569
Exempt computer aid and personal property aid	-	84,971	223,596	23,424	5,471	10,896	5,471	5,471	359,300	-
Investment income	-	309	2,557	8,897	2,264	1,530	334	37	15,928	-
Miscellaneous revenue	-	-	-	-	-	-	64,953	44,849	109,802	-
Sale of property	-	-	-	444,934	-	-	-	730,000	1,174,934	-
Long-term debt issued	-	500,000	4,240,740	-	-	-	-	-	4,740,740	-
Total sources of funds	-	585,280	4,486,542	708,275	577,308	661,413	758,696	1,533,836	9,311,350	29,856,569
Uses of Funds										
Capital expenditures	-	292,198	643,599	759,978	348,381	2,188	2,518	31,772	2,080,634	9,630,000
Administration (in-house)	-	2,500	2,500	2,500	2,500	2,500	2,500	-	15,000	-
Professional services, planning, engineering, other	92,627	162,911	22,782	4,937	1,304	4,248	1,250	2,045	292,104	1,175,000
Developer grants	-	108,921	3,706,812	65,349	122,309	210,947	338,029	154,934	4,707,301	8,500,000
Interest and fiscal charges on long-term debt	-	-	94,998	171,068	169,343	165,018	159,518	153,618	913,563	7,832,931
Debt issuance costs	-	-	90,513	-	-	-	-	-	90,513	-
Principal on long-term debt	-	-	500,000	-	90,000	135,000	145,000	150,000	1,020,000	-
Total uses of funds	92,627	566,530	5,061,204	1,003,832	733,837	519,901	648,815	492,369	9,119,115	27,137,931
Excess (deficiency) of sources of funds over uses of funds	(92,627)	18,750	(574,662)	(295,557)	(156,529)	141,512	109,881	1,041,467	192,235	-
Fund Balance (Deficit), Beginning	-	(92,627)	(73,877)	(648,539)	(944,096)	(1,100,625)	(959,113)	(849,232)	-	-
Fund Balance (Deficit), Ending	\$ (92,627)	\$ (73,877)	\$ (648,539)	\$ (944,096)	\$ (1,100,625)	\$ (959,113)	\$ (849,232)	\$ 192,235	\$ 192,235	\$ -

Village of Mount Horeb Tax Incremental District No. 5

Detailed Schedule of Capital Expenditures

From Date of Creation Through December 31, 2023

	<u>Actual</u>	<u>Project Plan Estimate</u>
Overhead electrical line relocation and upgrades	\$ 166,610	\$ 660,000
Storm sewer and drainage improvements	-	470,000
Water main replacement	-	420,000
Sewer manhole, main and lateral replacement	2,405	1,730,000
Street reconstruction	1,151,879	600,000
Downtown streetscape, landscaping and ROW improvements	5,044	1,380,000
Bike path improvements (paving and lighting)	-	440,000
Public parks and plaza improvements	-	1,110,000
Public parking lot construction	754,696	720,000
Public art installation	-	500,000
Village land acquisition/easements for public infrastructure, parking and/or redevelopment	-	1,600,000
	<u>\$ 2,080,634</u>	<u>\$ 9,630,000</u>



AGENDA ITEM REPORT

MEETING DATE

June 25, 2024

PREPARED BY

AGENDA ITEM # 4.c

Approve Resolution 2024-06 Acknowledging Filing of Annual Reports and Compliance with Annual Meeting Requirement

BACKGROUND

RECOMMENDATION

ATTACHMENTS

1. reso 2024-06 Joint Review Board - Acknowledging TID Annual Reports Filing version 2

RESOLUTION 2024-06

JOINT REVIEW BOARD OF THE VILLAGE OF MOUNT HOREB

RESOLUTION ACKNOWLEDGING FILING OF ANNUAL REPORTS AND COMPLIANCE WITH ANNUAL MEETING REQUIREMENT

WHEREAS, Wis. Stat. § 66.1105(f4m)(f) requires that the Joint Review Board (JRB) meet annually on July 1, or when an annual report under Wis. Stat. § 66.1105(6m)(c)(intro.) becomes available, to review the annual report and to review the performance and status of each district governed by the JRB; and

WHEREAS, the Village has filed an annual report to the Wisconsin Department of Revenue for the following districts:

- Tax Increment District No. 3
- Tax Increment District No. 5; and

WHEREAS, copies of the annual reports have been provided to each overlying taxing jurisdiction; and

WHEREAS, the JRB met on June 25, 2024 to review the annual reports and the performance and status of each of the districts governed by the JRB.

NOW, THEREFORE, BE IT RESOLVED, that the Village has complied with its reporting requirements under Wis. Stat § 66.1105(6m)(c)(intro.) and requirement to hold an annual JRB meeting under Wis. Stat. § 66.1105(4m)(f)

Introduced and passed this 25th day of June 2024.

Resolution adoption moved by JRB member: _____

Motion for adoption seconded by JRB member: _____

On roll call motion passed by a vote of _____ ayes to _____ nays

ATTEST:

JRB Chairperson Signature

Village Clerk Signature

Joint Review Board Members:

Representing

Dane County

Mount Horeb School District

Madison College

Village of Mount Horeb

Public Member