City of St. Francis
Tax Incremental District No. 3

Financial Statements and
Supplementary Information

December 31, 2025

City of St. Francis Tax Incremental District No. 3

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Accountants' Compilation Report

To the City Common Council of
City of St. Francis

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 City of St. Francis' Tax Incremental District No. 3 (District or TID No. 3) as of and for the year ended December 31, 2025 and from the date of creation through December 31, 2025, 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 City of St. Francis as of December 31, 2024, 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 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

Milwaukee, Wisconsin
August 13, 2026

City of St. Francis Tax Incremental District No. 3

Balance Sheet
December 31, 2025

	Capital Projects Fund
Assets	
Cash and investments	$ 963,693
Taxes receivable	384,836
Special assessments receivable	23,342
Total assets	$ 1,371,871
Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)	
Liabilities	
Advances from City General Fund	$ 2,806,013
Total liabilities	2,806,013
Deferred Inflows of Resources	
Unearned revenue	384,836
Unavailable revenue	23,342
Total deferred inflows of resources	408,178
Fund Balance (Deficit)	
Unassigned (deficit)	(1,842,320)
Total fund balance (deficit)	(1,842,320)
Total liabilities, deferred inflows of resources and fund balance (deficit)	$ 1,371,871

See notes to financial statements

City of St. Francis 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, 2025 and From the Date of Creation Through December 31, 2025

	Year Ended	From the Date of Creation
Project Costs		
Capital expenditures	$ -	$ 6,096,249
Administration	7,675	153,992
Developer incentive	-	38,829
Debt discount and issuance costs	-	256,119
Interest and fiscal charges	144,442	3,574,380
Transfers to other funds	-	1,131,926
Total project costs	152,117	11,251,495
Project Revenues		
Tax increments	346,101	5,336,914
Intergovernmental revenues	-	289,684
Investment income	-	192,457
Special assessments	-	839,091
Premium on long-term debt issued	-	87,786
Transfers from other funds	-	808,243
Total project revenues	346,101	7,554,175
Net costs recoverable (recovered) through tax increments, December 31, 2025	$ (193,984)	$ 3,697,320
Reconciliation of Recoverable Costs		
General obligation debt		$ 1,855,000
Add fund balance deficit		1,842,320
Net costs recoverable through tax increments, December 31, 2025		$ 3,697,320

See notes to financial statements

City of St. Francis Tax Incremental District No. 3

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2024 and From the Date of Creation Through December 31, 2024

	Year Ended	From the Date of Creation
Sources of Funds		
Tax increments	$ 346,101	$ 5,336,914
Intergovernmental revenues	-	289,684
Investment income	-	192,457
Special assessments	-	839,091
Capital lease issued	-	4,505,228
Premium on long-term debt issued	-	87,786
Long-term debt issued	-	3,120,000
Transfers from other funds	-	808,243
Total sources of funds	346,101	15,179,403
Uses of Funds		
Capital expenditures	-	6,096,249
Administration	7,675	153,992
Developer incentive	-	38,829
Debt discount and issuance costs	-	256,119
Interest and fiscal charges	144,442	3,574,380
Principal on long-term debt and capital leases	175,000	5,770,228
Transfers to other funds	-	1,131,926
Total uses of funds	327,117	17,021,723
Excess (deficiency) of sources of funds over uses of funds	18,984	(1,842,320)
Beginning Fund Balance (Deficit)	(1,861,304)	-
Ending Fund Balance (Deficit)	$ (1,842,320)	$ (1,842,320)

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of St. Francis' Tax Incremental District No. 3 (the District or TID No. 3) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of St. Francis (the City) 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 City.

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 fund and the City's long-term debt:

TID No. 3 Capital Projects Fund

Detailed descriptions of the purpose of this fund can be found in the City'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 improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

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

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 3	January 1, 2006	August 15, 2028	2034

Plan Amendment

	Adoption Date	Last Date to Incur Project Costs
TID No. 3	August 15, 2008	August 15, 2028

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 City 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. $23,342 of outstanding special assessments are 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.

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

3. Advances From City Funds

The general fund advanced funds to the District. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. The general fund is charging the District interest on the advance based on the average outstanding advance balance during the year at a rate of 3%. No repayment schedule has been established. The balance outstanding at December 31, 2025 was $2,806,013.

4. Long-Term Debt

General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds borrowed to finance the District's expenditures will be retired by tax increments accumulated by the TID 3 capital projects fund. If those revenues are not sufficient, payments will be made by future tax levies or utility revenues, as applicable.

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12/31/2025
G.O. Refunding Bonds	12/29/16	03/01/34	3.0-3.5 %	$ 3,120,000	$ 1,265,000	$ 1,855,000

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

Calendar Year	Principal	Interest	Total
2026	$ 180,000	$ 57,388	$ 237,388
2027	185,000	51,913	236,913
2028	195,000	46,213	241,213
2029	200,000	40,288	240,288
2030	205,000	33,956	238,956
2031-2034	890,000	63,438	953,438
Total	$ 1,855,000	$ 293,196	$ 2,148,196

5. District Assessment

During 2009, an assessment error occurred and an incorrect report was filed by the city assessor with the Department of Revenue. The Department of Revenue used this incorrect information to determine the 2009 increment for the District. The District's 2009 increment was determined to be $41,114,400. An amended report has been filed by the city assessor with the Department of Revenue, which indicates the correct increment should have been $9,425,400. The City levied $1,050,364 for the District on the 2009 Statement of Taxes based on the official value, $809,570 more than it should have been. The City reduced its municipal levy by this amount and the District transferred funds during 2010 to the general fund to make up the shortfall. The City transferred $380,000 from the debt service fund to the District during 2011, since there was no increment in 2011. The City transferred $378,595 from the debt service fund to the District during 2012, since there was also no increment in 2012.

6. Developer Incentive

The City has entered into a development agreement with Asset Control, LLC. The agreement guarantees that Asset Control, LLC will receive a payment equal to 80% of the tax increment revenue generated by the improved property, beginning in 2007 (or the first year of the increment increases) and ending in 2017 (or the 10th year after the tax increment revenue from the project was received by the City). Payments began during the year ended December 31, 2012. The payment made during 2025 was $0 and cumulative payments totaled $38,829.

City of St. Francis Tax Incremental District No. 3

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2025

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Sources of Funds											
Tax increments	$ -	$ -	$ 89,405	$ 139,804	$ 1,050,364	$ -	$ -	$ 71,135	$ -	$ -	$ -
Intergovernmental revenues	-	123,679	498	393	262	317	329	275	5,927	142,539	-
Investment income	-	37,894	42,765	3,827	11	32	21,534	19,092	16,687	12,542	14,044
Special assessments	-	-	-	-	58,634	85,472	85,699	128,542	83,681	67,774	85,522
Capital lease issued	-	4,505,228	-	-	-	-	-	-	-	-	-
Transfers from other funds	-	-	-	-	49,648	380,000	378,595	-	-	-	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	87,786
Proceeds from debt issued	-	-	-	-	-	-	-	-	-	-	3,120,000
Total sources of funds	-	4,666,801	132,668	144,024	1,158,919	465,821	486,157	219,044	106,295	222,855	3,307,352
Uses of Funds											
Capital expenditures	-	2,655,440	773,084	661,504	1,628,545	210,159	36,948	13,712	86,908	12,996	3,059
Contingency	-	-	-	-	-	-	-	-	-	-	-
Administration, in house	40,821	1,491	2,297	4,536	12,843	6,100	9,335	11,582	7,866	13,369	-
Developer incentive	-	-	-	-	-	-	-	-	-	-	-
Debt discount and issuance costs	-	143,135	-	-	-	-	-	-	-	-	112,984
Interest and fiscal charges	-	8,250	155,144	223,785	276,830	293,898	244,974	242,228	247,131	245,667	245,306
Principal on long-term debt	-	-	-	-	185,000	195,000	205,000	210,000	220,003	230,040	240,000
Transfers to other funds	-	37,894	31,935	3,570	758,595	-	-	-	-	-	-
Total uses of funds	40,821	2,846,210	962,460	893,395	2,861,813	705,157	496,257	477,522	561,908	502,072	601,349

Fund Balance (Deficit), December 31, 2025

City of St. Francis Tax Incremental District No. 3

Detailed Schedule of Sources, Uses and Status of Funds
From the Date of Creation Through December 31, 2025

	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	Project Plan Estimate
Sources of Funds											
Tax increments	$ 920,834	$ 350,976	$ 360,713	$ 338,281	$ 520,571	$ 408,228	$ 377,318	$ 363,184	$ 346,101	$ 5,336,914	$ 23,491,120
Intergovernmental revenues	13	-	16,233	-	(781)	-	-	-	-	289,684	-
Investment income	12,363	6,621	3,967	1,078	-	-	-	-	-	192,457	2,044,323
Special assessments	72,878	65,122	77,023	28,744	-	-	-	-	-	839,091	1,415,792
Capital lease issued	-	-	-	-	-	-	-	-	-	4,505,228	16,325,000
Transfers from other funds	-	-	-	-	-	-	-	-	-	808,243	-
Premium on debt issued	-	-	-	-	-	-	-	-	-	87,786	-
Proceeds from debt issued	-	-	-	-	-	-	-	-	-	3,120,000	-
Total sources of funds	1,006,088	422,719	457,936	368,103	519,790	408,228	377,318	363,184	346,101	15,179,403	43,276,235
Uses of Funds											
Capital expenditures	-	-	13,894	-	-	-	-	-	-	6,096,249	15,972,149
Contingency	-	-	-	-	-	-	-	-	-	-	600,000
Administration, in house	-	5,749	23,567	3,760	-	1,501	-	1,500	7,675	153,992	75,000
Developer incentive	-	-	-	14,228	12,122	12,479	-	-	-	38,829	-
Debt discount and issuance costs	-	-	-	-	-	-	-	-	-	256,119	600,663
Interest and fiscal charges	161,968	162,316	159,959	157,588	155,127	152,581	149,950	147,236	144,442	3,574,380	9,703,423
Principal on long-term debt	3,020,185	145,000	145,000	150,000	155,000	160,000	165,000	170,000	175,000	5,770,228	16,325,000
Transfers to other funds	-	-	40,930	-	110,623	148,379	-	-	-	1,131,926	-
Total uses of funds	3,182,153	313,065	383,350	325,576	432,872	474,940	314,950	318,736	327,117	17,021,723	43,276,235
Fund Balance (Deficit), December 31, 2025										$ (1,842,320)	