City of St. Francis

Financial Statements and
Supplementary Information

December 31, 2025

Independent Auditors' Report

To the City Common Council of
City of St. Francis

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of St. Francis (the City), as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2025 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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 basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly US, LLP

Milwaukee, Wisconsin
August 13, 2026

MANAGEMENT'S DISCUSSION AND ANALYSIS

The management of the City of St. Francis (the City) offers all persons interested in the financial position of the City this narrative overview and analysis of the City's financial performance during the fiscal year ended December 31, 2025. You are invited to read this narrative in conjunction with the City's financial statements.

Financial Highlights

The assets and deferred outflows of resources of the City of St. Francis exceeded its liabilities and deferred inflows of resources by $11,792296 (net position). Of this amount, $(5,018,811) is considered an unrestricted net position deficit, $3,909,210 is restricted for specific purposes (restricted net position), and $12,901,879 is the net investment in capital assets.

The City's total net position increased $364,642. Governmental activities net position increased by $217,266, while business-type activities net position increased by $147,376.

On December 31, 2025, the City's governmental funds reported combined fund balances of $9,879,138 a decrease from $11,389,445 in 2024.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. These financial statements consist of two parts: Management's Discussion and Analysis (this section) and the basic financial statements. The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are government-wide financial statements that provide both long-term and short-term information about the City's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

These financial statements also include notes that explain some of the information in the financial statements and provide more detail data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-Wide Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets/deferred outflows of resources and liabilities/deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the City's net position and how they have changed.
Net Position - the difference between the City's assets and deferred outflows and liabilities and deferred inflows - is one way to measure the City's financial health or position. Over time, increases or decreases in the City's net position are an indicator of whether its financial health is improving or deteriorating.
To assess the overall health of the City, you need to consider additional nonfinancial factors such as changes in the City's property tax base and the condition of the City's roads and other infrastructure.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the cash flows. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods.

The government-wide financial statements include the City of St. Francis (primary government).

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, capital projects fund, Tax Incremental District No. 3, Tax Incremental District No. 4 and Tax Incremental District No. 5, each of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general fund. A budgetary comparison statement has been provided for the general fund to demonstrate compliance with this budget.

Proprietary Funds

The City maintains two different types of proprietary funds (sewer and stormwater utilities), which are enterprise funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, required supplementary information presents a detailed budget comparison schedule for the general fund to demonstrate compliance with the budget. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information.

Financial Analysis of the City as a Whole

An analysis of the City's financial position begins with a review of the Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position. These two statements report the City's net position and changes therein. It should be noted that the financial position can also be affected by nonfinancial factors, including economic conditions, population growth and new regulations.

A summary of the City's Statement of Net Position is presented below in Table 1.

Table 1
Condensed Statements of Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and other assets	$ 27,508,010	$ 28,493,917	$ 2,697,857	$ 2,243,609	$ 30,205,867	$ 30,737,526
Capital assets	29,905,823	29,856,590	1,566,491	1,630,577	31,472,314	31,487,167
Total assets	58,350,507	56,750,885	3,874,186	4,141,948	62,224,693	60,892,833
Total deferred outflows of resources	10,187,686	12,055,796	429,002	534,203	10,616,688	12,589,999
Long-term liabilities	36,766,627	39,817,312	693,787	783,360	37,460,414	40,600,672
Other liabilities	2,749,313	2,489,272	20,232	208,388	2,769,545	2,697,660
Total liabilities	39,515,940	42,306,584	714,019	991,748	40,229,959	43,298,332
Total deferred inflows of resources	20,785,454	21,746,485	398,314	433,151	21,183,768	22,179,636
Net investment in capital assets	11,680,670	10,633,953	1,630,577	1,494,664	13,311,247	12,128,617
Restricted	3,520,216	5,009,407	275,456	175,456	3,795,672	5,184,863
Unrestricted (deficit)	(6,964,087)	(10,889,748)	1,284,822	1,581,132	(5,679,265)	(9,308,616)
Total net position	$ 8,236,799	$ 4,753,612	$ 3,190,855	$ 3,251,252	$ 11,427,654	$ 8,004,864

One portion of the City's net position reflects its investment in capital assets (e.g., land, buildings, machinery and equipment, and infrastructure), less any debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

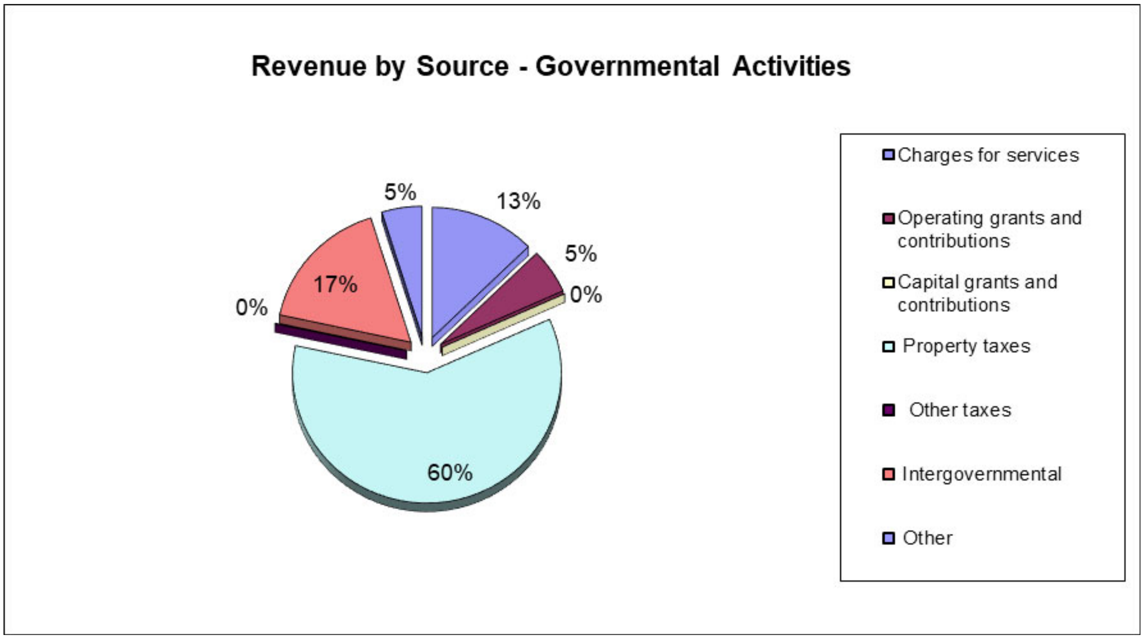
An additional portion of the City's net position represents sources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position may be used to meet the government's ongoing obligations to citizens and creditors.

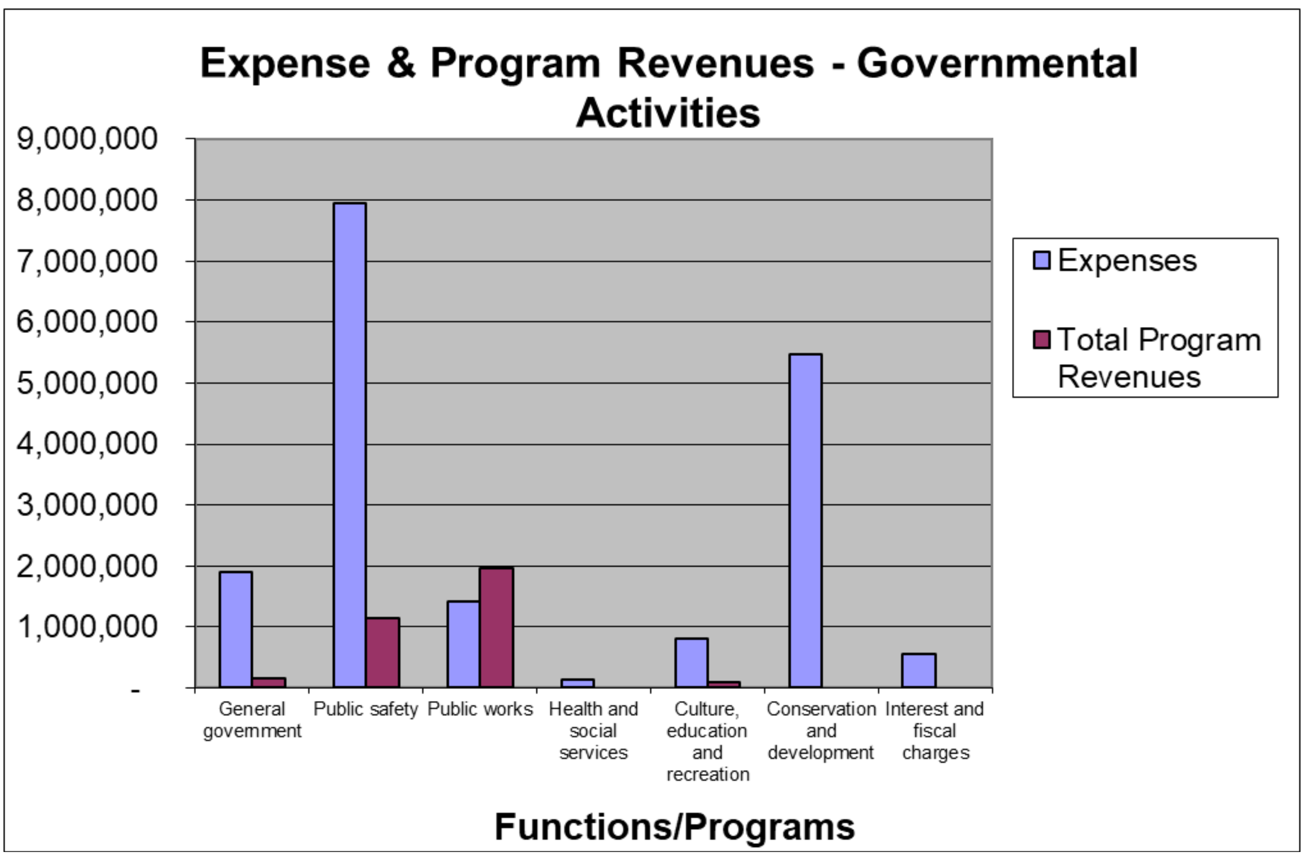
At the end of the current fiscal year, the City reported positive balances in two of the three categories of net position for the City as a whole, as well as for its separate governmental activities. The business-type activities had positive balances in all three categories of net position.

Table 2
Condensed Statement of Revenues, Expenses and Changes in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program revenues:						
Charges for services	$ 2,336,344	$ 1,696,719	$ 1,717,684	$ 1,506,885	$ 4,054,028	$ 3,203,604
Operating & capital grants and contributions	1,030,124	909,211	-	-	1,030,124	909,211
General revenues:						
Property taxes	11,058,649	11,448,274	-	-	11,058,649	11,448,274
Other taxes	9,214	106,813	-	-	9,214	106,813
Intergovernmental	3,089,204	3,004,173	-	-	3,089,204	3,004,173
Other	891,894	842,641	26,640	37,962	918,534	880,603
Total revenues	18,415,429	18,007,831	1,744,324	1,544,847	20,159,753	19,552,678
Expenses:						
General government	1,907,808	1,865,481	-	-	1,907,808	1,865,481
Public safety	7,939,332	7,372,932	-	-	7,939,332	7,372,932
Public works	1,420,409	2,320,176	-	-	1,420,409	2,320,176
Health and social services	138,088	137,060	-	-	138,088	137,060
Culture, education and recreation	817,593	824,741	-	-	817,593	824,741
Conservation and development	5,460,832	1,558,814	-	-	5,460,832	1,558,814
Sewer	-	-	1,223,041	1,148,074	1,223,041	1,148,074
Stormwater	-	-	328,907	367,170	328,907	367,170
Interest and fiscal charges	559,101	535,440	-	-	559,101	535,440
Total expenses	18,243,163	14,614,644	1,551,948	1,515,244	19,795,111	16,129,888
Transfers	45,000	45,000	(45,000)	(45,000)	-	-
Changes in net position	217,266	3,438,187	147,376	(15,397)	364,642	3,422,790
Beginning net position	8,236,799	4,798,612	3,190,855	3,206,252	11,427,654	8,004,864
Ending net position	$ 8,454,065	$ 8,236,799	$ 3,338,231	$ 3,190,855	$ 11,792,296	$ 11,427,654

As previously noted, the Statement of Net Position shows the net position for 2025 and 2024. The specific nature or source of these changes then becomes more evident in the Statement of Revenues, Expenses and Changes in Net Position as shown above in Table 2.





Governmental Activities

Governmental activities increased the City's net position by $217,266.

Business-Type Activities

Business-type activities increased the City's net position by $147,376. This increase is a result of the following items:

- The sewer utility had a increase in net position of $93,392 as compared to a decrease in net position of $31,104 in 2024.

- The stormwater utility had an increase in net position of $53,984 as compared to an increase in net position of $15,707 in 2024.

Financial Analysis of the City's Funds

Governmental Funds

The focus of the City of St. Francis' governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

At December 31, 2025, the City's governmental funds reported combined fund balances of $9,879,138. Of this amount, $3,073,328 constitutes nonspendable amounts that are not in spendable form or are required to remain intact by legal or contractual requirements. An additional $3,917,518 is restricted by constraints placed on fund balance usage. $667,247 is committed, or constrained, for specific purposes internally imposed by the council. An additional $13,646 is assigned for specific purposes as authorized by the Council. The remaining amount of $1,931,297 is unassigned.

General Fund

The City's general fund is the chief operating fund of the City. Total fund balance in the general fund increased $1,616,026 or 25.78% to $7,884,737. Nonspendable fund balance was $2,912,012 which consists of advances of $2,806,013, delinquent personal property taxes of $40,404, and prepaids of $65,595. Assigned fund balance is $13.646 and detailed in Note 3.

The City evaluates general fund balance by measuring the unassigned general fund balance as a percentage of the subsequent year's general fund budget. For 2025, unassigned fund balance is $4,959,079 and the 2026 general fund expenditure budget is $12,681,932 resulting in an unassigned fund balance of 39.10% of 2026 budgeted general fund expenditures.

Debt Service Fund

The City's debt service fund accounts for resources that are restricted to expenditure for the payment of general long-term debt principal, interest and related costs. Total fund balance in the debt service fund is $296,206 which is an increase of $525 from the prior year. This is primarily due to principal payments not exceeding tax revenues for the year.

Capital Projects Fund

The City's capital projects fund accounts for proceeds from long-term borrowing and other resources is committed for capital improvement projects. Total fund balance in the capital projects fund is $1,040,137 which is an increase of $274,123 from the prior year. This is primarily due to a decrease in capital outlay expenses.

Tax Incremental Financing District (TID) No. 3

The tax incremental financing district No. 3 fund accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing. Total fund balance in the TIF is ($1,842,320), which is an increase to the beginning of the year deficit of $18,984 from the prior year.

Tax Incremental Financing District (TID) No. 4

The tax incremental financing district No. 4 fund accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing. Total fund balance in the TIF is ($309,576), which is a decrease of $202,863 from the prior year.

Tax Incremental Financing District (TID) No. 5

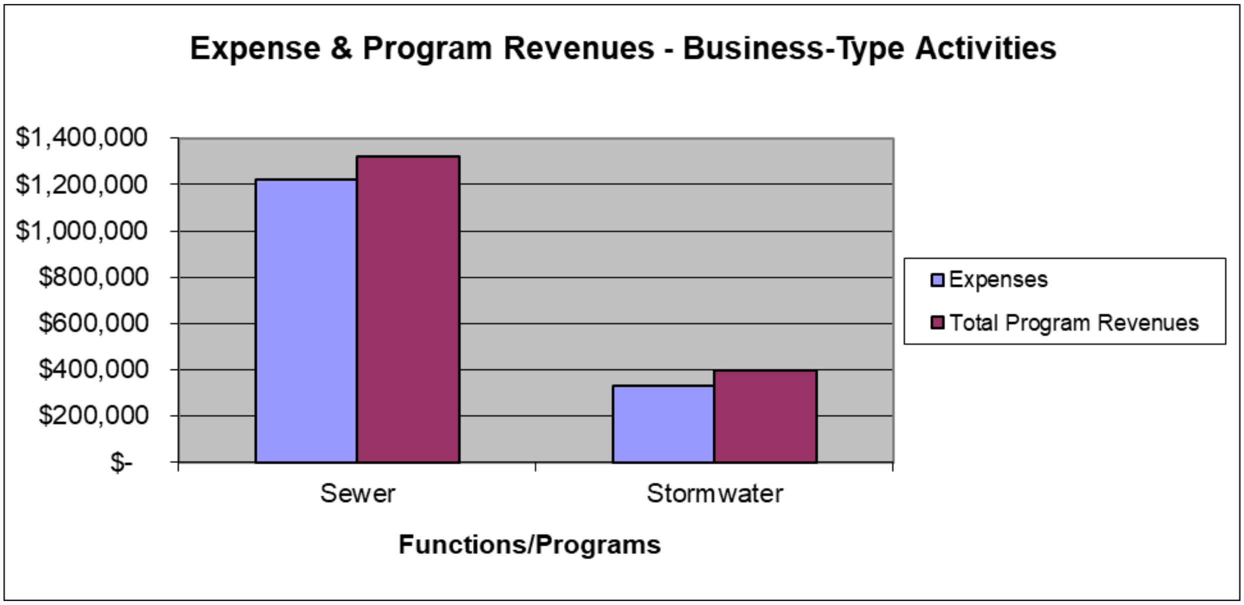
The tax incremental financing district No. 5 fund accounts for expenditures outlined in the TIF project plan and related revenues and proceeds from long-term borrowing. Total fund balance in the TIF is $2,747,867 which is a decrease of $2,551,888 from the prior year. This is primarily due to tax revenue exceeding expenses.

Nonmajor Governmental Funds

Fund balance of all other governmental funds is $62,087. Of that amount, $873,445 is restricted for the recycling, library, library donations, library reciprocal borrowing, and garbage special revenue funds, $64,528 is committed for police community relations, and ($875,886) is unassigned.

Proprietary Funds

The City of St. Francis' proprietary fund financial statements provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of these funds have already been addressed in the discussion of the City's business-type activities.



General Fund Budgetary Highlights

The original General Fund budget had total appropriations of $10,384,297 and the budget was not amended during the year.

Actual expenditures were $10,002,875 as compared to the original budget of $10,384,297 which is $381,422 less than the budget. This was primarily due to favorable variances in public safety and public works.

Total revenues and other sources were $11,618,901, which was $1,234,604 more than the budget.

Capital Assets

At the end of 2025, the City had invested a total of $31,472,314 in capital assets net of accumulated depreciation. This investment in capital assets includes land, buildings, machinery and equipment and infrastructure. This investment does not include infrastructure acquired prior to 2004 which the City is not required to record.

Table 3
Capital Assets

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land	$ 9,516,182	$ 9,516,182	$ -	$ -	$ 9,516,182	$ 9,516,182
Intangibles	43,941	43,941	-	-	43,941	43,941
Buildings	14,565,723	14,565,723	-	-	14,565,723	14,565,723
Machinery and equipment	6,627,319	6,647,975	-	-	6,627,319	6,647,975
Infrastructure	12,976,303	12,146,496	-	-	12,976,303	12,146,496
Utility plant	-	-	5,464,747	5,264,747	5,464,747	5,264,747
Total capital assets	43,729,468	42,920,317	5,464,747	5,264,747	49,194,215	48,385,064
Less accumulated depreciation	(13,823,645)	(13,063,727)	(3,898,256)	(3,834,170)	(17,721,901)	(16,897,897)
Net capital assets	$ 29,905,823	$ 29,856,590	$ 1,566,491	$ 1,630,577	$ 31,472,314	$ 31,487,167

Additional information on the City's capital assets can be found in Note 3.

Long-Term Debt

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the village's jurisdiction. The debt limit as of December 31, 2025 was $53,429,995. Total general obligation debt outstanding at year-end was $18,364,899. Therefore, the City was at 34% of its legal debt limit.

Additional information on the City's long-term debt can be found in Note 3.

Table 4
Long-Term Debt

	Governmental Activities	
	2025	2024
General obligation debt	$ 18,364,899	$ 20,435,481

Currently Known Facts/Economic Conditions

All currently known facts and economic conditions were considered in preparing the 2026 City budget. None of these conditions are anticipated to change the overall financial position of the City.

Requests for Information

This financial report is designed to provide our citizens, customers, investors and creditors with a general overview of the City's finances. If you have questions about this report, or need additional financial information, contact the City Clerk/Treasurer.

BASIC FINANCIAL STATEMENTS

City of St. Francis

Statement of Net Position
December 31, 2025

	Governmental Activities	Business-Type Activities	Total
Assets and Deferred Outflows of Resources			
Assets			
Cash and investments	$ 11,175,305	$ 1,795,629	$ 12,970,934
Receivables (net):			
Delinquent personal property taxes	40,404	-	40,404
Accounts	317,670	474,650	792,320
Special assessments	417,943	-	417,943
Taxes receivable	11,982,071	152,122	12,134,193
Prepaid items	422,592	-	422,592
Restricted assets			
Cash and investments	1,234	275,456	276,690
Assets held for resale	3,150,791	-	3,150,791
Capital assets:			
Land	9,516,182	-	9,516,182
Other capital assets, net of depreciation/amortization	20,389,641	1,566,491	21,956,132
Total assets	57,413,833	4,264,348	61,678,181
Deferred Outflows of Resources			
Pension related amounts	4,898,035	217,049	5,115,084
OPEB related amounts	2,830,624	123,967	2,954,591
Total deferred outflows of resources	7,728,659	341,016	8,069,675
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Accounts payable and accrued liabilities	1,973,247	242,938	2,216,185
Deposits	159,627	-	159,627
Unearned revenues	479,635	-	479,635
Noncurrent liabilities:			
Due within one year	2,309,457	2,935	2,312,392
Due in more than one year	16,990,325	4,835	16,995,160
OPEB liability	13,863,696	615,730	14,479,426
Net pension liability	840,657	26,558	867,215
Total liabilities	36,616,644	892,996	37,509,640
Deferred Inflows of Resources			
Unearned revenues	11,972,971	-	11,972,971
Pension related amounts	2,433,497	116,630	2,550,127
OPEB related amounts	5,665,315	257,507	5,922,822
Total deferred inflows of resources	20,071,783	374,137	20,445,920
Net Position			
Net investment in capital assets	11,335,388	1,566,491	12,901,879
Restricted for:			
Recycling and garbage	299,287	-	299,287
Asset forfeiture	1,024	-	1,024
Fire department donations	31,738	-	31,738
Debt service	34,937	-	34,937
Library	518,919	-	518,919
TID purposes	2,747,867	-	2,747,867
Equipment replacement	-	275,456	275,456
Unrestricted (deficit)	(6,515,095)	1,496,284	(5,018,811)
Total net position	$ 8,454,065	$ 3,338,231	$ 11,792,296

See notes to financial statements

City of St. Francis

Statement of Activities
Year Ended December 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position: Governmental Activities	Net (Expenses) Revenues and Changes in Net Position: Business-Type Activities	Net (Expenses) Revenues and Changes in Net Position: Total
Governmental activities:						
General government	$ 1,907,808	$ 141,742	$ 25,075	$ (1,740,991)	$ -	$ (1,740,991)
Public safety	7,939,332	1,004,889	138,122	(6,796,321)	-	(6,796,321)
Public works	1,420,409	1,172,717	798,747	551,055	-	551,055
Health and human services	138,088	-	-	(138,088)	-	(138,088)
Culture, education and recreation	817,593	16,996	68,180	(732,417)	-	(732,417)
Conservation and development	5,460,832	-	-	(5,460,832)	-	(5,460,832)
Interest and fiscal charges	559,101	-	-	(559,101)	-	(559,101)
Total governmental activities	18,243,163	2,336,344	1,030,124	(14,876,695)	-	(14,876,695)
Business-type activities:						
Sewer utility	1,223,041	1,319,793	-	-	96,752	96,752
Stormwater utility	328,907	397,891	-	-	68,984	68,984
Total business-type activities	1,551,948	1,717,684	-	-	165,736	165,736
Total	$ 19,795,111	$ 4,054,028	$ 1,030,124	(14,876,695)	165,736	(14,710,959)
General Revenues						
Taxes:						
Property taxes, levied for general purposes				6,995,799	-	6,995,799
Property taxes, levied for TIF district				4,062,850	-	4,062,850
Other taxes				9,214	-	9,214
Intergovernmental revenues not restricted to specific programs				3,089,204	-	3,089,204
Public gifts and grants				121,437	-	121,437
Investment income				648,730	26,640	675,370
Miscellaneous				121,727	-	121,727
Total general revenues				15,048,961	26,640	15,075,601
Transfers				45,000	(45,000)	-
Change in net position				217,266	147,376	364,642
Net Position, Beginning				8,236,799	3,190,855	11,427,654
Net Position, Ending				$ 8,454,065	$ 3,338,231	$ 11,792,296

See notes to financial statements

City of St. Francis

Governmental Funds -
Balance Sheet
December 31, 2025

	General	Debt Service	Capital Projects
Assets			
Cash and investments	$ 4,903,433	$ 296,206	$ 970,708
Receivables (net):			
Taxes	5,751,446	577,423	63,407
Delinquent personal property taxes	40,404	-	-
Accounts	317,670	-	-
Special assessments	-	-	130,528
Prepaid items	65,595	-	161,316
Due from other funds	1,090,451	-	-
Advances to other funds	2,806,013	-	-
Total assets	$ 14,975,012	$ 873,629	$ 1,325,959
Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)			
Liabilities			
Accounts payable	$ 211,863	$ -	$ 91,887
Accrued liabilities	1,010,439	-	-
Deposits	125,627	-	-
Due to other funds	-	-	-
Unearned revenues	-	-	-
Advances from other funds	-	-	-
Total liabilities	1,347,929	-	91,887
Deferred Inflows of Resources			
Unearned revenues	5,742,346	577,423	63,407
Unavailable revenues	-	-	130,528
Total deferred inflows of resources	5,742,346	577,423	193,935
Fund Balances (Deficit)			
Nonspendable	2,912,012	-	161,316
Restricted	-	296,206	-
Committed	-	-	878,821
Assigned	13,646	-	-
Unassigned (deficit)	4,959,079	-	-
Total fund balances (deficit)	7,884,737	296,206	1,040,137
Total liabilities, deferred inflows of resources and fund balances (deficit)	$ 14,975,012	$ 873,629	$ 1,325,959

See notes to financial statements

Capital Projects				
TID No. 3	TID No. 4	TID No. 5	Nonmajor Governmental Funds	Total
$ 963,693	$ -	$ 3,039,723	$ 1,002,776	$ 11,176,539
384,836	520,855	3,355,887	1,328,217	11,982,071
-	-	-	-	40,404
-	-	-	-	317,670
23,342	-	-	264,073	417,943
-	-	-	195,681	422,592
-	-	-	-	1,090,451
-	-	-	-	2,806,013
$ 1,371,871	$ 520,855	$ 6,395,610	$ 2,790,747	$ 28,253,683
$ -	$ 16,166	$ 257,856	$ 103,682	$ 681,454
-	-	-	20,085	1,030,524
-	-	34,000	-	159,627
-	293,410	-	797,041	1,090,451
-	-	-	479,635	479,635
2,806,013	-	-	-	2,806,013
2,806,013	309,576	291,856	1,400,443	6,247,704
384,836	520,855	3,355,887	1,328,217	11,972,971
23,342	-	-	-	153,870
408,178	520,855	3,355,887	1,328,217	12,126,841
-	-	-	-	3,073,328
-	-	2,747,867	873,445	3,917,518
-	-	-	64,528	943,349
-	-	-	-	13,646
(1,842,320)	(309,576)	-	(875,886)	1,931,297
(1,842,320)	(309,576)	2,747,867	62,087	9,879,138
$ 1,371,871	$ 520,855	$ 6,395,610	$ 2,790,747	$ 28,253,683

See notes to financial statements

City of St. Francis

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2025

Total Fund Balances, Governmental Funds	$ 9,879,138
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental funds are not financial resources and therefore are not reported in the funds.	
Land	9,516,182
Intangibles	43,941
Buildings	14,565,723
Machinery and equipment	6,627,319
Infrastructure	12,976,303
Less accumulated depreciation	(13,823,645)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	153,870
Deferred outflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	4,898,035
Deferred inflows of resources related to pension do not relate to current financial resources and are not reported in the governmental funds.	(2,433,497)
Deferred outflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds.	2,830,624
Deferred inflows of resources related to OPEBs do not relate to current financial resources and are not reported in the governmental funds.	(5,665,315)
Assets held for resale	3,150,791
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(18,364,899)
Compensated absences	(729,347)
Accrued interest	(261,269)
Unamortized debt premium	(205,536)
Net pension liability	(840,657)
Other postemployment benefits	(13,863,696)
Net Position of Governmental Activities	$ 8,454,065

See notes to financial statements

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2025

	General	Debt Service	Capital Projects
Revenues			
Taxes	$ 5,354,734	$ 584,193	$ 395,876
Intergovernmental	3,828,564	-	-
Licenses and permits	683,028	-	-
Fines, forfeitures and penalties	219,896	-	-
Public charges for services	787,373	-	-
Special assessments	-	-	91,609
Investment income	610,324	-	38,128
Miscellaneous revenues	134,982	-	47,105
Total revenues	11,618,901	584,193	572,718
Expenditures			
Current:			
General government	1,574,931	-	-
Public safety	7,033,388	-	-
Public works	1,199,784	-	-
Health and human services	132,333	-	-
Culture, recreation and education	35,083	-	-
Conservation and development	27,356	-	-
Capital outlay	-	-	298,595
Debt service:			
Principal	-	525,000	-
Interest and fiscal charges	-	103,668	-
Total expenditures	10,002,875	628,668	298,595
Other Financing Source			
Transfers in	-	45,000	-
Net change in fund balances	1,616,026	525	274,123
Fund Balances (Deficit), Beginning	6,268,711	295,681	766,014
Fund Balances (Deficit), Ending	$ 7,884,737	$ 296,206	$ 1,040,137

See notes to financial statements

	Capital Projects				
	TID No. 3	TID No. 4	TID No. 5	Nonmajor Governmental Funds	Total
	$ 346,101	$ 356,147	$ 3,360,602	$ 1,055,612	$ 11,453,265
	-	29,420	35,781	108,881	4,002,646
	-	-	-	-	683,028
	-	-	-	-	219,896
	-	-	-	241,395	1,028,768
	-	-	-	171,571	263,180
	-	-	-	278	648,730
	-	909	21,311	128,013	332,320
	346,101	386,476	3,417,694	1,705,750	18,631,833
	-	-	-	-	1,574,931
	-	-	-	26,471	7,059,859
	-	-	-	666,061	1,865,845
	-	-	-	-	132,333
	-	-	-	703,834	738,917
	7,675	145,893	3,918,519	-	4,099,443
	-	231,878	529,285	974,598	2,034,356
	175,000	180,000	1,190,582	-	2,070,582
	144,442	31,568	331,196	-	610,874
	327,117	589,339	5,969,582	2,370,964	20,187,140
	-	-	-	-	45,000
	18,984	(202,863)	(2,551,888)	(665,214)	(1,510,307)
	(1,861,304)	(106,713)	5,299,755	727,301	11,389,445
	$ (1,842,320)	$ (309,576)	$ 2,747,867	$ 62,087	$ 9,879,138

See notes to financial statements

Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2025

Net Change in Fund Balances, Total Governmental Funds	$	(1,510,307)
Amounts reported for governmental activities in the Statement of Activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the Statement of Activities.		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		2,034,356
Some items reported as capital outlay were not capitalized		(1,124,800)
Depreciation is reported in the government-wide financial statements		(858,883)
Net book value of assets retired		(1,440)
Land held for resale		392,399
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.		(61,094)
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		
Principal repaid		2,070,582
Governmental funds report debt premiums and discounts as other financing sources (uses) or financing sources or uses. However, in the Statement of Net Position, these are reported as additions to or deductions from long-term debt. These are allocated over the period the debt is outstanding in the Statement of Activities and are reported as interest expense.		
Amortization		20,462
Some expenses in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Compensated absences		34,654
Total and net OPEB liabilities		738,834
Accrued interest on debt		30,839
Net pension liability		(102,040)
Deferred outflows of resources related to pension		(1,772,518)
Deferred inflows of resources related to pension		1,548,426
Deferred outflows of resources related to OPEBs		(686,509)
Deferred inflows of resources related to OPEBs		(535,695)
Change in Net Position of Governmental Activities	$	217,266

See notes to financial statements

Statement of Net Position -
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Stormwater Utility	Total
Assets and Deferred Outflows of Resources			
Assets			
Current assets:			
Cash and investments	$ 617,965	$ 1,177,664	$ 1,795,629
Receivables:			
Taxes	138,293	13,829	152,122
Accounts	380,481	94,169	474,650
Total current assets	1,136,739	1,285,662	2,422,401
Noncurrent assets:			
Restricted assets:			
Cash and investments	275,456	-	275,456
Capital assets:			
Property and equipment	2,864,257	2,600,490	5,464,747
Less accumulated depreciation	(2,397,730)	(1,500,526)	(3,898,256)
Total noncurrent assets	741,983	1,099,964	1,841,947
Total assets	1,878,722	2,385,626	4,264,348
Deferred Outflows of Resources			
Pension related amounts	118,080	98,969	217,049
OPEB related amounts	38,842	85,125	123,967
Total deferred outflows of resources	156,922	184,094	341,016

City of St. Francis

Statement of Net Position -
Proprietary Funds
December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Stormwater Utility	Total
Liabilities, Deferred Inflows of Resources and Net Position			
Liabilities			
Current liabilities:			
Accounts payable	$ 228,708	$ 14,230	$ 242,938
Current portion of compensated absences	1,203	1,732	2,935
Total current liabilities	229,911	15,962	245,873
Noncurrent liabilities:			
Net pension liability, WRS	14,968	11,590	26,558
Compensated absences	1,983	2,852	4,835
Total OPEB liability	180,919	398,476	579,395
Net OPEB liability, LRLIF	20,664	15,671	36,335
Total noncurrent liabilities	218,534	428,589	647,123
Total liabilities	448,445	444,551	892,996
Deferred Inflows of Resources			
Pension related amounts	56,313	60,317	116,630
OPEB related amounts	86,018	171,489	257,507
Total deferred inflows of resources	142,331	231,806	374,137
Net Position			
Net investment in capital assets	466,527	1,099,964	1,566,491
Restricted for:			
Equipment replacement	275,456	-	275,456
Unrestricted	702,885	793,399	1,496,284
Total net position	$ 1,444,868	$ 1,893,363	$ 3,338,231

See notes to financial statements

City of St. Francis

Statement of Revenues, Expenses and Changes in Net Position -
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Stormwater Utility	Total
Operating Revenues			
Charges for services	$ 1,319,793	$ 397,891	$ 1,717,684
Total operating revenues	1,319,793	397,891	1,717,684
Operating Expenses			
Operation and maintenance	1,195,823	292,039	1,487,862
Depreciation expense	27,218	36,868	64,086
Total operating expenses	1,223,041	328,907	1,551,948
Operating income	96,752	68,984	165,736
Nonoperating Revenues			
Investment income	26,640	-	26,640
Income before transfers	123,392	68,984	192,376
Transfers			
Transfers out	(30,000)	(15,000)	(45,000)
Change in net position	93,392	53,984	147,376
Net Position, Beginning	1,351,476	1,839,379	3,190,855
Net Position, Ending	$ 1,444,868	$ 1,893,363	$ 3,338,231

Statement of Cash Flows -
Proprietary Funds
Year Ended December 31, 2025

	Business-Type Activities - Enterprise Funds		
	Sewer Utility	Stormwater Utility	Total
Cash Flows From Operating Activities			
Received from customers	$ 1,188,316	$ 422,106	$ 1,610,422
Paid to suppliers for goods and services	(769,869)	(135,988)	(905,857)
Paid to employees for services	(205,617)	(158,343)	(363,960)
Net cash flows from operating activities	212,830	127,775	340,605
Cash Flows From Investing Activities			
Investment income	26,640	-	26,640
Cash Flows From Noncapital Financing Activities			
Transfers out	(30,000)	(15,000)	(45,000)
Net change in cash and cash equivalents	209,470	112,775	322,245
Cash and Cash Equivalents, Beginning	683,951	1,064,889	1,748,840
Cash and Cash Equivalents, Ending	$ 893,421	$ 1,177,664	$ 2,071,085
Reconciliation of Operating Income to Net Cash Flows From Operating Activities			
Operating income	$ 96,752	$ 68,984	$ 165,736
Adjustments to reconcile operating income to net cash flows from operating activities:			
Depreciation	27,218	36,868	64,086
Changes in asset, liabilities, deferred outflows and deferred inflows:			
Customer accounts receivable	(100,790)	(758)	(101,548)
Taxes receivable	(39,137)	8,682	(30,455)
Accounts payable	216,012	6,694	222,706
Compensated absences	(764)	(1,100)	(1,864)
Pension related amounts	5,854	(6,421)	(567)
Other postemployment benefits	7,685	14,826	22,511
Net cash flows from operating activities	$ 212,830	$ 127,775	$ 340,605
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Unrestricted Cash and investments	$ 617,965	$ 1,177,664	$ 1,795,629
Restricted cash and investments	275,456	-	275,456
Cash and cash equivalents	$ 893,421	$ 1,177,664	$ 2,071,085

See notes to financial statements

City of St. Francis

Statement of Fiduciary Net Position -
Fiduciary Fund
December 31, 2025

	Custodial Fund Tax Collection
Assets	
Cash and investments	$ 12,577,677
Tax roll receivable	789,093
Total assets	13,366,770
Liabilities	
Due to other governments	13,366,770
Total liabilities	13,366,770
Net Position	
Total net position	$ -

See notes to financial statements

City of St. Francis

Statement of Changes in Fiduciary Net Position -
Fiduciary Fund
Year Ended December 31, 2025

	Custodial Fund Tax Collection
Additions	
Tax collections	$ 10,998,441
Total additions	10,998,441
Deductions	
Property taxes distributed to other governments	10,998,441
Total deductions	10,998,441
Change in fiduciary net position	-
Net Position, Beginning	-
Net Position, Ending	$ -

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of St. Francis, Wisconsin (the City) conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

Reporting Entity

This report includes all of the funds of the City. The reporting entity for the City consists of the primary government and its component unit. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if (1) it appoints a voting majority of the organization's governing body and it is able to impose its will on that organization, (2) it appoints a voting majority of the organization's governing body and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government, (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

Component units are reported using one of three methods, discrete presentation, blended or fiduciary. Generally, component units should be discretely presented in a separate column in the financial statements. A component unit should be reported as part of the primary government using the blending method if it meets any one of the following criteria: (1) the primary government and the component unit have substantively the same governing body and a financial benefit or burden relationship exists, (2) the primary government and the component unit have substantively the same governing body and management of the primary government has operational responsibility for the component unit, (3) the component unit serves or benefits, exclusively or almost exclusively, the primary government rather than its citizens or (4) the total debt of the component unit will be paid entirely or almost entirely from resources of the primary government.

Discretely Presented Component Unit

Community Development Authority of the City of St. Francis

The government-wide financial statements include the Community Development Authority of the City of St. Francis (CDA) as a component unit. The CDA is a legally separate organization. The board of the CDA is appointed by the mayor. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the CDA, and also create a potential financial benefit to or burden on the City. The Community Development Authority of the City of St. Francis is part of the reporting entity of the City of St. Francis. However, the CDA had no financial transactions during 2025 which are material to these financial statements. Also, the CDA does not own any assets nor is it liable for any debt. Therefore, no financial statements are presented in this report. The CDA does not issue separate financial statements.

Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the City are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues and expenditures/expenses.

Funds are organized as major funds or nonmajor funds within the governmental and proprietary statements. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and

b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

c. In addition, any other governmental or enterprise fund that the City believes is particularly important to financial statement users may be reported as a major fund.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

General Fund

General Fund accounts for the City's primary operating activities. It is used to account for and report all financial resources except those accounted for and reported in another fund.

Debt Service Fund

Debt Service Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for the payment of general long-term debt principal, interest and related costs, other than TID or enterprise debt.

Capital Projects Funds

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets for the capital improvements program.

Tax Incremental District (TID) No. 3 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Tax Incremental District (TID) No. 4 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Tax Incremental District (TID) No. 5 Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditures outlined in the TID project plan.

Enterprise Funds

The City reports the following major enterprise funds:

Sewer Utility accounts for operations of the Sewer system.

Stormwater Utility accounts for operations of the Stormwater system.

The City reports the following nonmajor governmental funds:

Special Revenue Funds

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditures for specified purposes (other than debt service or capital projects).

Recycling
Library
Library Donations
ARPA
Asset Forfeiture
Library Reciprocal Borrowing
Police Community Relations
Garbage
Fire Department Donations

Capital Projects Fund

Capital Projects Fund is used to account for and report financial resources that are restricted, committed or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Streets

In addition, the City reports the following fund type:

Custodial Fund

Custodial Fund is used to account for and report assets controlled by the City and the assets are for the benefit of individuals, private organizations and/or other governmental units.

Tax Collection Fund

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Special assessments are recorded as revenue when earned. Unbilled receivables are recorded as revenues when services are provided.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's sewer and stormwater utilities and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recorded when they are 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. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt, claims, judgments, compensated absences and pension expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources.

Property taxes are recorded in the year levied as receivables and deferred inflows. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the City is entitled to the resources and the amounts are available. Amounts owed to the City which are not available are recorded as receivables and unavailable revenues. Amounts received before eligibility requirements (excluding time requirements) are met are recorded as liabilities. Amounts received in advance of meeting time requirements are recorded as deferred inflows.

Special assessments are recorded as revenues when they become measurable and available as current assets. Annual installments due in future years are reflected as receivables and unavailable revenues.

Revenues susceptible to accrual include property taxes, miscellaneous taxes, public charges for services, special assessments and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

Proprietary and Fiduciary Funds

Proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the sewer and stormwater utilities are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

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, deferred outflows of resources, liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

Deposits and Investments

For purposes of the statement of cash flows, the City considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investment of City funds is restricted by Wisconsin state statutes. Available investments are limited to:

a. Time deposits in any credit union, bank, savings bank or trust company.

b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.

c. Bonds or securities issued or guaranteed by the federal government.

d. The local government investment pool.

e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.

f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.

g. Repurchase agreements with public depositories, with certain conditions.

The City has adopted an investment policy. That policy follows the state statute for allowable investments.

The City will minimize credit risk by limiting investments to the types of securities permitted under Wisconsin Statutes Chapter 66.0603, approving by resolution the public depositories that are deemed appropriate for use under Wisconsin and Federal law and diversifying the investment portfolio so that the impact of potential losses from any one type of security or from any one individual investor will be minimized. Investments shall by diversified by limiting investments to avoid over concentration in securities from a specific issuer, industry or business sector, excluding U.S. Treasury obligations, investing in securities with varying maturities and continuously investing a portion of the investment portfolio in readily available funds such as local government investment pools, money market accounts.

The City will minimize interest rate risk by structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to see securities on the open market prior to maturity.

The City will minimize custodial credit risk by maintaining a list of public depositories, financial institutions and broker/dealers authorized to provide deposit and investment services. Authorized public depositories which do not meet certain standards of capitalization, deposits, profitability and earnings and quality of assets shall fully collateralize all certificates of deposits or other time deposits of the City by obligations of the U.S. government or its agencies (if principal is guaranteed by the United States). The market value of the collateral shall at all times be equal to or exceed 102% of the principal amount of the time deposit.

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. Investment income on commingled investments of municipal accounting funds is allocated based on average balances. The difference between the bank statement balance and carrying value is due to outstanding checks and/or deposits in transit.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2025, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the City, taxes are collected for and remitted to the county government as well as the local school district and technical college district. Taxes for all state and local governmental units billed in the current year for the succeeding year are reflected as receivables and due to other taxing units on the accompanying statement of fiduciary net position.

Property tax calendar - 2025 tax roll:

Lien date and levy date	December 2025
Tax bills mailed	December 2025
Payment in full, or	January 31, 2026
First installment due	January 31, 2026
Second installment due	May 31, 2026
Third installment due	July 31, 2026
Tax sale - 2025 delinquent real estate taxes	October 2028

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the County, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the sewer and stormwater utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as "due to and from other funds." Long-term interfund loans (noncurrent portion) are reported as "advances from and to other funds." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmental-wide financial statements as internal balances.

In the governmental fund financial statements, advances to other funds are offset equally by a nonspendable fund balance account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation or by a restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Capital Assets

Government-Wide Financial Statements

Capital assets, which include property, plant and equipment (including right-to-use lease assets), are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than $5,000 general capital assets and $10,000 for infrastructure assetsand an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of business-type activities are recorded at original cost, which includes material, labor and overhead. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

Depreciation and amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation and amortization reflected in the statement of net position. Depreciation and amortization is provided over the assets' estimated useful lives using the straight-line method. The range of estimated useful lives by type of asset is as follows:

Buildings	10-60	Years
Intangibles	5-10	Years
Machinery and equipment	3-40	Years
Utility system	75-85	Years
Infrastructure	30	Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

Other Assets

Land reported as an expenditure in the fund statements is reclassified as asset held for resale in the government-wide financial statements. Asset held for resale is a type of inventory that is valued at the lower of cost or market.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Vacation and sick leave pay is accrued in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, and are payable with expendable resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2025, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

All long-term obligations to be repaid from governmental and business-type resources are reported as liabilities in the government-wide statements. The long-term obligations consist primarily of notes and bonds payable.

Long-term obligations for governmental funds are not reported as liabilities in the fund financial statements. The face value of debts (plus any premiums) are reported as other financing sources and payments of principal and interest are reported as expenditures. The accounting in proprietary funds is the same as it is in the government-wide statements.

For the government-wide statements and proprietary fund statements, bond premiums and discounts are amortized over the life of the issue using the straight-line method. The balance at year end is shown as an increase or decrease in the liability section of the statement of net position.

Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

Equity Classifications

Government-Wide Statements

Equity is classified as net position and displayed in three components:

a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.

b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Statements

Governmental fund balances are displayed as follows:

a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.

b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.

c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The City has a practice of authorizing the Council to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.

e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents / contracts that prohibit doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions; and
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability (Asset);
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Postemployment Benefits; and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

2. Stewardship, Compliance and Accountability

Budgetary Information

A budget has been adopted for the general, debt service, library, recycling, garbage special revenue funds, capital projects fund and TID No. 3, TID No. 4 and TID No. 5 capital projects funds. A budget has not been formally adopted for Library Donations, Library Reciprocal Borrowing, ARPA, Fire Department Donations, Asset Forfeiture and the Police Community Relations Special Revenue Funds, Streets Capital Projects Fund and the Capital Projects Fund. Wisconsin Statute 65.90 requires that an annual budget be adopted for all funds.

Excess Expenditures and Other Financing Uses Over Budget

The following funds had significant expenditures and other financing uses over budget:

Funds	Budgeted Expenditures and Other Financing Uses	Actual Expenditures and Other Financing Uses	Excess Expenditures and Other Financing Uses Over Budget
Debt Service Fund	$ 628,193	$ 628,668	$ 475
Capital Projects, TID No. 4 Fund	423,301	589,339	166,038
Capital Projects, TID No. 5 Fund	3,826,840	5,969,582	2,142,742
Special Revenue Fund, Garbage Fund	385,402	422,432	37,030

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2025, the following individual funds held a deficit balance:

Fund	Amount	Reason
Capital Projects Fund, TID No. 3 Fund	$ (1,842,320)	Expenditures in excess of revenues
Capital Projects Fund, Streets Fund	(795,760)	Expenditures in excess of revenues
Special Revenue Fund, Garbage Fund	(80,126)	Expenditures in excess of revenues

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Special Revenue Garbage and Debt Service fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to net new construction or zero percent. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	Carrying Value	Statement Balances	Associated Risks
Deposits	$ 18,207,508	$ 15,610,184	Custodial credit
LGIP	7,612,103	7,612,103	Credit
Petty cash	5,690	-	N/A
Total deposits and investments	$ 25,825,301	$ 23,222,287	

Reconciliation to financial statements

Per statement of net position:	
Unrestricted cash and investments	$ 12,970,934
Restricted cash and investments	276,690
Per statement of net position, fiduciary fund:	
Custodial Fund	12,577,677
Total deposits and investments	$ 25,825,301

Deposits in each local and area bank are insured by the FDIC in the amount of $250,000 for time and savings accounts (including NOW accounts) and $250,000 for demand deposit accounts (interest-bearing and non-interest bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of $250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of $1,000,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The City maintains collateral agreements with its banks. At December 31, 2025, the banks had pledged various government securities in the amount of $12,775,640 to secure the City's deposits.

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

As of December 31, 2025, $5,211,883 of the City's total bank balances were exposed to custodial credit risk as follows:

Uninsured and collateral held by the pledging financial institution	$	5,211,883

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

The City had investments in the external Wisconsin Local Government Investment Pool which is not rated.

See Note 1 for further information on deposit and investment policies.

Receivables

Receivables as of year-end for the government's individual major funds, nonmajor funds and fiduciary funds are detailed on the governmental funds balance sheet, proprietary funds statement of net position and fiduciary funds statement of net position. The General Fund has an allowance for uncollectible accounts in the amount of $203,002. All amounts are expected to be collected within one year except for $40,404 of delinquent personal property taxes reported in the General Fund and $130,528 and $23,342 of special assessments reported in the Capital Projects Fund and Capital Projects Fund - TID No. 3.

Governmental funds report *unavailable* or *unearned revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Property taxes levied for the subsequent year are not earned and cannot be used to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *unavailable revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unearned	Unavailable
Property taxes receivable for subsequent year	$ 11,972,971	$ -
ARPA funds	215,562	-
Special assessments not yet due	264,073	153,870
Total unearned/unavailable revenue for governmental funds	$ 12,452,606	$ 153,870
Unearned revenue included in liabilities	$ 479,635	
Unearned revenue included in deferred inflows	11,972,971	
Total unearned revenue for governmental funds	$ 12,452,606	

Restricted Assets

The following represent the balances of the restricted assets:

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

Asset Forfeiture

The City established a special revenue fund to restrict cash for asset forfeiture.

Following is a list of restricted assets at December 31, 2025:

	Restricted Assets
Equipment replacement account	$ 275,456
Asset forfeiture	1,234
Total	$ 276,690

Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	$ 9,516,182	$ -	$ -	$ 9,516,182
Total capital assets not being depreciated	9,516,182	-	-	9,516,182
Capital assets being depreciated:				
Intangibles	43,941	-	-	43,941
Building and improvements	14,565,723	-	-	14,565,723
Machinery and equipment	6,647,975	79,749	100,405	6,627,319
Infrastructure	12,146,496	829,807	-	12,976,303
Total capital assets being depreciated	33,404,135	909,556	100,405	34,213,286
Total capital assets	42,920,317	909,556	100,405	43,729,468
Less accumulated depreciation for:				
Intangibles	(43,941)	-	-	(43,941)
Building and improvements	(4,999,150)	(289,029)	-	(5,288,179)
Machinery and equipment	(4,234,839)	(234,704)	98,965	(4,370,578)
Infrastructure	(3,785,797)	(335,150)	-	(4,120,947)
Total accumulated depreciation	(13,063,727)	(858,883)	98,965	(13,823,645)
Net capital assets being depreciated	20,340,408	50,673	1,440	20,389,641
Total governmental activities capital assets, net as reported in the statement of net position	$ 29,856,590	$ 50,673	$ 1,440	$ 29,905,823

Depreciation expense was charged to functions as follows:

Governmental Activities	
General government	$ 225,010
Public safety	144,555
Public works	423,935
Culture, education and recreation	64,415
Health and human services	968
Total governmental activities depreciation expense	$ 858,883

	Beginning Balance	Additions	Deletions	Ending Balance
Business-Type Activities				
Capital assets being depreciated:				
Sewer mains	$ 2,864,257	$ -	$ -	$ 2,864,257
Stormwater mains	2,600,490	-	-	2,600,490
Total capital assets being depreciated	5,464,747	-	-	5,464,747
Less accumulated depreciation for:				
Sewer mains	(2,370,512)	(27,218)	-	(2,397,730)
Stormwater mains	(1,463,658)	(36,868)	-	(1,500,526)
Total accumulated depreciation	(3,834,170)	(64,086)	-	(3,898,256)
Net capital assets being depreciated	1,630,577	(64,086)	-	1,566,491
Business-type activities capital assets, net as reported in the statement of net position	$ 1,630,577	$ (64,086)	$ -	$ 1,566,491

Depreciation expense was charged to functions as follows:

Business-Type Activities	
Sewer	$ 27,218
Stormwater	36,868
Total business-type activities depreciation expense	$ 64,086

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund, TID No. 4	$ 293,410
General Fund	Special Revenue Fund, Garbage	44,703
General Fund	Capital Projects Fund - Streets	752,338
Total, fund financial statements		1,090,451
Less fund eliminations		(1,090,451)
Total internal balances, government-wide statement of net position		$ -

All amounts are due within one year.

Advances

The general fund is advancing funds to Capital Projects Fund - TID No. 3. 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 TID interest on the advance based on the average outstanding advance balance during the year at a rate of 3 percent. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Capital Projects Fund, TID No. 3	$ 2,806,013	$ 2,806,013
Total, fund financial statements		2,806,013	
Less fund eliminations		(2,806,013)	
Total, interfund advances, government-wide statement of net position		$ -	

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount
Debt Service Fund	Sewer Utility	$ 30,000
Debt Service Fund	Stormwater Utility	15,000
Total, fund financial statements		$ 45,000

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2025, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	$ 14,180,000	$ -	$ 1,335,000	$ 12,845,000	$ 1,355,000
General obligation notes from direct borrowings and direct placements	6,255,481	-	735,582	5,519,899	761,643
(Discounts)/Premiums	225,998	-	20,462	205,536	-
Total bonds and notes payable	20,661,479	-	2,091,044	18,570,435	2,116,643
Other liabilities:					
Compensated absences*	764,001	-	34,654	729,347	192,814
Total OPEB liability	14,275,259	-	695,165	13,580,094	-
Net OPEB liability, LRLIF	327,271	-	43,669	283,602	-
Net pension liability, WRS	738,617	102,040	-	840,657	-
Total other liabilities	16,105,148	102,040	773,488	15,433,700	192,814
Total governmental activities long-term liabilities	$ 36,766,627	$ 102,040	$ 2,864,532	$ 34,004,135	$ 2,309,457
Business-Type Activities					
Other liabilities:					
Compensated absences*	$ 9,634	$ -	$ 1,864	$ 7,770	$ 2,935
Total OPEB liability	609,054	-	29,659	579,395	-
Net OPEB liability, LRLIF	40,238	-	3,903	36,335	-
Net pension liability, WRS	34,861	-	8,303	26,558	-
Total other liabilities	693,787	-	43,729	650,058	2,935
Total business-type activities long-term liabilities	$ 693,787	$ -	$ 43,729	$ 650,058	$ 2,935

*The change in the compensated absences liability is presented as a net change.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2025, was $53,429,995. Total general obligation debt outstanding at year end was $18,364,899.

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund.

Governmental Activities General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
G.O. Bonds	02/26/13	02/01/33	2.00-2.65%	$ 5,995,000	$ 3,835,000
Refunding G.O. Bonds	11/29/16	03/01/34	1.35-3.40	3,120,000	1,855,000
State Trust Fund Loan, direct	07/07/21	03/15/31	3.00	3,560,000	2,240,336
Taxable G.O. Bonds	03/22/21	03/01/36	1.55-2.1	9,815,000	7,155,000
State Trust Fund Loan, direct	10/17/22	03/15/32	4.00	4,000,000	3,279,563
Total governmental activities, general obligation debt					$ 18,364,899

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt Principal	Interest
2026	$ 1,355,000	$ 274,845
2027	1,390,000	244,900
2028	1,440,000	213,560
2029	1,320,000	183,935
2030	1,345,000	155,699
2031-2035	5,475,000	322,391
2036	520,000	5,460
Total	$ 12,845,000	$ 1,400,790

Years	Governmental Activities Notes From Direct Borrowings and Direct Placements Principal	Interest
2026	$ 761,643	$ 198,393
2027	788,645	171,391
2028	816,230	143,805
2029	845,599	114,437
2030	875,638	84,397
2031-2032	1,432,144	74,343
Total	$ 5,519,899	$ 786,766

Other Debt Information

Estimated payments of other postemployment benefits and pension liabilities are not included in the debt service requirement schedules. The other postemployment benefits and pension liabilities attributable to governmental activities will be liquidated primarily by the general fund.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2025, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	$ 9,516,182
Other capital assets, net of accumulated depreciation	20,389,641
Less long-term debt outstanding	(18,364,899)
Less unamortized debt premium	(205,536)
Total net investment in capital assets	$ 11,335,388

Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2025, include the following:

	General	Debt Service	Capital Projects	Capital Projects - TID No. 3	Capital Projects - TID No. 4	Capital Projects - TID No. 5	Nonmajor Governmental Funds	Total
Fund Balances								
Nonspendable:								
Prepaid items	$ 65,595	$ -	$ 161,316	$ -	$ -	$ -	$ -	$ 226,911
Delinquent personal property taxes	40,404	-	-	-	-	-	-	40,404
Receivables and advances	2,806,013	-	-	-	-	-	-	2,806,013
Subtotal	2,912,012	-	161,316	-	-	-	-	3,073,328
Restricted for:								
Recycling	-	-	-	-	-	-	299,287	299,287
Library	-	-	-	-	-	-	541,186	541,186
Debt service	-	296,206	-	-	-	-	-	296,206
TID activities	-	-	-	-	-	2,747,867	-	2,747,867
Fire department donations	-	-	-	-	-	-	31,738	31,738
Asset forfeiture	-	-	-	-	-	-	1,234	1,234
Subtotal	-	296,206	-	-	-	2,747,867	873,445	3,917,518
Committed to:								
Capital projects	-	-	878,821	-	-	-	-	878,821
Police community relations	-	-	-	-	-	-	64,528	64,528
Subtotal	-	-	878,821	-	-	-	64,528	943,349
Assigned to:								
EMS Fund	5,383	-	-	-	-	-	-	5,383
Police Evidence Fund	8,263	-	-	-	-	-	-	8,263
Subtotal	13,646	-	-	-	-	-	-	13,646
Unassigned (Deficit)	4,959,079	-	-	(1,842,320)	(309,576)	-	(875,886)	1,931,297
Total fund balances (deficit)	$ 7,884,737	$ 296,206	$ 1,040,137	$ (1,842,320)	$ (309,576)	$ 2,747,867	$ 62,087	$ 9,879,138

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

Postretirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)
2024	3.6	15.0

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category was merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized $777,595 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2025 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.90 %	6.90 %
Protective with Social Security	6.90	14.30
Protective without Social Security	6.90	19.10

Pension Liability, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2025, the City reported a liability of $867,215 for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.05277710%, which was an increase of 0.00075428% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of $1,116,502.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between projected and actual experience	$ 2,693,177	$ 2,530,742
Changes in assumptions	257,319	-
Net differences between projected and actual earnings on pension plan investments	1,317,779	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	780	19,385
Employer contributions subsequent to the measurement date	846,029	-
Total	$ 5,115,084	$ 2,550,127

$846,029 reported as deferred outflows of resources related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	$ 514,892
2027	1,791,611
2028	(448,078)
2029	(139,497)

Actuarial Assumptions

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2023
Measurement Date of Net Pension Liability (Asset):	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.7%
Mortality:	2020 WRS Experience Mortality Table
Postretirement Adjustments*:	1.7%

* *No postretirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the postretirement discount rate. Includes the impact of known Market Recognition Account deferred gains/losses on the liability for dividend payments.*

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including seniority (merit) and separation rates. The Total Pension Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the December 31, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Allocation Targets and Expected Returns* as of December 31, 2024

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %**
Public Equity	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Inflation Sensitive	19	4.8	2.1
Real Estate	8	6.5	3.8
Private Equity/Debt	20	9.5	6.7
Leverage***	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
Variable Fund Asset			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2

* *Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations*

** *New England Pension Consultants' Long-Term U.S. CPI (Inflation) Forecast: 2.6%*

*** *The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. Currently, an asset allocation target of 12% policy leverage is used subject to an allowable range of up to 20%.*

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 4.08% (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase to Discount Rate (7.8%)
City's proportionate share of the net pension liability (asset)	$ 8,135,610	$ 867,215	$ (4,296,770)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

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 are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under terms of the grants. Management believes such disallowances, if any, would be immaterial.

TID No. 3 Guaranteed Revenue

The City has entered into a development agreement with Asset Control, LLC relating to TID No. 3. 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 2024 was $0 and cumulative payments totaled $38,829.

TID No. 5 Developer Agreements

The City, has entered into an agreement with a developer, Bear St. Francis 1, LLC relating to the District. The agreement states that the City agrees to provide a loan to the developer for an amount of $7.1 million in eleven installments based on final occupancy of the constructed buildings. The developer is obligated to increase the increment assigned to the District by a minimum amount of $24 million and pay real estate taxes based on assessed value of improvements annually through September 1, 2036. If any real estate shortfall occurs, the developer is obligated to make a default payments to the City as a TIF Loan Repayment Deficiency. Payments made during 2025 totaled $0.

Joint Ventures

Milwaukee Area Domestic Animal Control Commission

The City is a member of the Milwaukee Area Domestic Animal Control Commission (MADACC) along with 18 other communities within Milwaukee County. MADACC was created by an agreement signed in 1997 pursuant to the provisions of Section 66.0301 of the Wisconsin Statutes. MADACC was established to provide a jointly-operated animal control services facility for dogs and cats. MADACC is governed by a 19-member board consisting of one representative from each municipality, each having one vote. Formulas for the sharing of operating and debt costs, and for the distribution of assets upon termination of participation, are provided within the agreement. In 1997, MADACC borrowed $2.5 million at 4.40-5.00% due annually from 1998 through 2013, for the purchase of land and the construction of the facility. The City's share of operations in 2025 was $15,405, which is accounted for in the general fund. The City does not have an equity interest in MADACC.

Other Postemployment Benefits

The City administers a single-employer defined contribution healthcare plan (the Retiree Health Plan). The plan provides health insurance benefits for up to 12 years for eligible retirees and their spouses through the City's group health insurance plan, which covers both active and retired members.

General Information About the OPEB Plan

Plan Description

The City's defined benefit OPEB plan, Retiree Benefits Plan (RBP), provides OPEB for all permanent full-time general and public safety employees of the City. RBP is a single-employer defined benefit OPEB plan administered by the City. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the City and the union. The City makes the monthly health insurance contribution on behalf of the retiree as determined at the time of retirement. The City contributes approximately 80% of the current year premiums for a family and a single plan for the eligible retired plan members and their spouses. Plan members receiving benefits contribute approximately 20% of their premium costs for a family plan and a single plan.

Employees Covered by Benefit Terms

At December 31, 2025, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	20
Active plan members	62
Total	82

Total OPEB Liability

The City's total OPEB liability of $14,159,489 was measured as of December 31, 2025, and was determined by an actuarial valuation as of January 1, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	3.38%
Salary increases	2.67%
Healthcare cost trend rates	9.0% ultimately decreasing to 4.7%
Discount rate	4.83%

The discount rate was based on the December 2023, Bond Buyer 20-Bond General Obligation Index.

Mortality rates were based on the RP-2014 Mortality Table projected to 2021 with Scale BB.

The actuarial assumptions used in the December 31, 2025 valuation were based on the results of an actuarial experience study 2018-2024.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2024	$ 14,884,313
Changes for the year:	
Service cost	653,813
Interest	633,956
Differences between expected and actual experience	(19,300)
Changes in assumptions or other inputs	(1,476,896)
Benefit payments	(516,397)
Net changes	(724,824)
Balances at December 31, 2025	$ 14,159,489

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.83%) or 1-percentage-point higher (5.83%) than the current discount rate:

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	$ 16,032,789	$ 14,159,489	$ 12,604,777

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (8.0% decreasing to 3.7%) or 1-percentage-point higher (10.0% decreasing to 5.7%) than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	$ 12,893,631	$ 14,159,489	$ 15,660,395

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended December 31, 2025, the City recognized OPEB expense of $478,704. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,634,784	$ 945,463
Changes of assumptions or other inputs	1,215,694	4,744,798
Total	$ 2,850,478	$ 5,690,261

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Amount
2026	$ (140,650)
2027	(373,354)
2028	(373,349)
2029	(526,224)
2030	(541,022)
Thereafter	(885,184)
Total	$ (2,839,783)

Local Retiree Life Insurance Fund (LRLIF)

Plan Description

The LRLIF is a multiple-employer, defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides postemployment life insurance benefits for all eligible members.

OPEB Plan Fiduciary Net Position.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at the link above.

Benefits Provided

The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a postretirement benefit.

Employers are required to pay the following contribution based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the member premiums until age 65 in order to be eligible for the benefit after age 65.

Contribution rates for the plan year reported as of December 31, 2025 are:

Coverage Type	Employer Contribution
50% Postretirement Coverage	40% of member contribution
25% Postretirement Coverage	20% of member contribution

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members must pay monthly contribution rates per $1,000 of coverage until the age of 65 (age 70 if active). The member contribution rates in effect for the plan year are as listed below:

Life Insurance Member Contribution Rates* for the Plan Year

Attained Age	Basic	Supplemental
Under 30	$0.05	$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

*Disabled members under age 70 receive a waiver-of-premium benefit

During the reporting period, the LRLIF recognized $1,720 in contributions from the employer.

OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At December 31, 2025, the City reported a liability of $319,937 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of January 1, 2024 rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.08177800%, which was an increase of 0.00189600% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized OPEB expense of $6,753.

At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ 33,283
Net differences between projected and actual earnings on plan investments	4,393	-
Changes in actuarial assumptions	78,502	179,446
Changes in proportion and differences between employer contributions and proportionate share of contributions	11,160	19,832
Employer contributions subsequent to the measurement date	10,058	-
Total	$ 104,113	$ 232,561

$10,058 reported as deferred outflows of resources related to OPEB resulting from the LRLIF Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Years Ending December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	$ (16,901)
2027	(28,715)
2028	(38,380)
2029	(37,233)
2030	(7,573)
Thereafter	(9,704)

Actuarial Assumptions

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021-December 31, 2023. Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield*	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases:	
Wage Inflation	3.00%
Seniority/Merit	0.10%-5.7%
Mortality:	2020 WRS Experience Mortality Table

*Based on the Bond Buyers GO 20-Bond Municipal index

Actuarial assumptions are based upon an experience study conducted in 2024 that covered a three-year period from January 1, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 actuarial valuation.

Long-Term Expected Return on Plan Assets

The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A-Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

State OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2024

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
U.S. Intermediate Credit Bonds	Bloomberg U.S. Interm Credit	40.00%	2.41%
U.S. Mortgages	Bloomberg U.S. MBS	60.00	2.71
Inflation			2.30
Long-Term Expected Rate of Return			4.25

Single Discount Rate

A single discount rate of 4.09% was used to measure the total OPEB liability for the current year, as opposed to a discount rate of 3.32% for the prior year. The significant change in the discount rate was primarily caused by the increase in the municipal bond rate from 3.26% as of December 31, 2023 to 4.08% as of December 31, 2024. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the total OPEB liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2037.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 4.09%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase to Discount Rate (5.09%)
City's proportionate share of the net OPEB liability (asset)	$ 427,640	$ 319,937	$ 236,941

Subsequent Event

On February 23, 2026 the City issued general obligation promissory notes in the amount of $2,815,000 with an interest rate of 5.0%. This amount will be used for funding future streets and equipment capital projects.

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 103, *Financial Reporting Model Improvements*
- Statement No. 104, *Disclosure of Certain Capital Assets*
- Statement No. 105, *Subsequent Events*

When they become effective, application of these standards may restate portions of these financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance With Final Budget
Revenues			
Taxes			
General property taxes	$ 5,338,819	$ 5,345,520	$ 6,701
Interest and penalties on taxes	40,000	-	(40,000)
Payments in lieu of taxes	8,000	9,214	1,214
Total taxes	5,386,819	5,354,734	(32,085)
Intergovernmental			
State shared revenues	2,786,887	3,002,998	216,111
Fire insurance tax (2% fire dues)	29,500	44,794	15,294
Other state shared taxes	10,000	13,739	3,739
State aid, law enforcement improvement	10,000	6,662	(3,338)
State aid, other public safety	12,900	77,391	64,491
State aid, general transportation aids	572,531	573,349	818
State aid, other highway aid	59,099	100,354	41,255
Other state payments	25,000	-	(25,000)
County aid, Milwaukee County	40,000	9,277	(30,723)
Total intergovernmental	3,545,917	3,828,564	282,647
Licenses and Permits			
Liquor and malt beverage licenses	13,000	12,886	(114)
Operators' license	3,000	3,170	170
Cigarette licenses	500	500	-
Vending machine tags	-	3,000	3,000
Amusement device licenses	5,000	1,790	(3,210)
Sundry licenses	1,000	1,765	765
Cable television franchise fees	90,000	72,647	(17,353)
Alarm licenses	375	85	(290)
Bicycle licenses	30	-	(30)
Dog and cat licenses	2,700	2,725	25
Peddlers permits	100	2,370	2,270
Building permits	60,000	421,578	361,578
Electrical permits	15,000	66,606	51,606
Plumbing permits	15,000	53,695	38,695
Dance hall permits	175	125	(50)
Street excavation/hauling permits	10,000	8,298	(1,702)
Parking permits	35,000	31,268	(3,732)
Sundry permits	300	520	220
Total licenses and permits	251,180	683,028	431,848
Fines, Forfeitures and Penalties			
Law and ordinance violations	272,000	219,896	(52,104)

See notes to required supplementary information

City of St. Francis

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance With Final Budget
Public Charges for Services			
Clerk's fees	$ 7,000	$ 9,682	$ 2,682
Publication fees	400	185	(215)
Photocopies	1,000	1,231	231
Public safety	2,400	3,109	709
Law enforcement fees	30,000	66,782	36,782
Ambulance fees	424,121	669,948	245,827
County highway maintenance and construction	1,500	17,215	15,715
Other transportation	-	9,530	9,530
Culture, recreation and education	2,500	61	(2,439)
Park rental	5,000	5,400	400
Refuse and garbage collection	500	210	(290)
Weed and nuisance control	15,000	4,020	(10,980)
Total public charges for services	489,421	787,373	297,952
Investment Income			
Interest on investments	374,960	610,324	235,364
Miscellaneous Revenues			
Workers comp/witness fees	1,000	16,430	15,430
Rent	60,000	87,515	27,515
Other miscellaneous	3,000	31,037	28,037
Total miscellaneous revenues	64,000	134,982	70,982
Total revenues	10,384,297	11,618,901	1,234,604
Expenditures			
General Government			
Common council	92,464	99,802	(7,338)
Municipal court	96,281	105,875	(9,594)
Attorney	140,000	199,144	(59,144)
Mayor	24,200	20,945	3,255
Administrator	123,703	101,625	22,078
Clerk/treasurer	197,851	162,451	35,400
Property taxes	2,000	1,317	683
Elections	17,600	11,737	5,863
Data processing	72,100	161,416	(89,316)
General administration	152,563	138,847	13,716
Audit	32,000	26,433	5,567
Custodian/civic center	188,300	189,411	(1,111)
Insurance	270,289	313,015	(42,726)
Assessor	49,000	42,913	6,087
Contingency	40,000	-	40,000
Total general government	1,498,351	1,574,931	(76,580)
Public Safety			
Police	4,486,966	4,237,131	249,835
Fire protection	2,855,570	2,755,114	100,456
Ambulance	200	285	(85)
Building inspection	32,451	37,819	(5,368)
Sealer of weights and measures	3,143	2,761	382
Emergency government	200	278	(78)
Total public safety	7,378,530	7,033,388	345,142

See notes to required supplementary information

City of St. Francis

Detailed Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual -
General Fund
Year Ended December 31, 2025

	Original and Final Budget	Actual	Variance With Final Budget
Public Works			
Engineering	$ 100,000	$ 159,531	$ (59,531)
Traffic control	16,000	77,520	(61,520)
Highway and street maintenance for local	754,870	635,218	119,652
Snow and ice control	80,000	50,234	29,766
Bridges, culverts and rivers	100	-	100
Garages and sheds	59,100	51,282	7,818
City mechanic	68,534	56,901	11,633
Street lighting	190,000	155,808	34,192
Refuse and garbage collection	31,000	13,290	17,710
Total public works	1,299,604	1,199,784	99,820
Health and Human Services			
Public health services	117,736	116,928	808
Animal control	15,426	15,405	21
Total health and human services	133,162	132,333	829
Culture, Education and Recreation			
Parks	20,500	16,993	3,507
Recreation programs and events	17,700	18,090	(390)
Total culture, education and recreation	38,200	35,083	3,117
Conservation and Development			
Zoning	950	676	274
Industrial development	500	-	500
Other conservation and development	35,000	26,680	8,320
Total conservation and development	36,450	27,356	9,094
Total expenditures	10,384,297	10,002,875	381,422
Net change in fund balance	$ -	1,616,026	$ 1,616,026
Fund Balance, Beginning		6,268,711	
Fund Balance, Ending		$ 7,884,737	

City of St. Francis

Schedule of Changes in the Total OPEB Liability and Related Ratios -
Health Insurance
Year Ended December 31, 2025

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	$ 653,813	$ 574,486	$ 799,965	$ 638,857	$ 535,143	$ 479,953	$ 406,038	$ 450,198
Interest	633,956	480,250	497,593	359,591	351,163	406,726	503,690	441,133
Prior year adjustment	-	-	-	-	-	-	(863,939)	-
Difference between expected and actual experience	(19,300)	1,904,622	(46,271)	(1,425,306)	85,661	199,831	(137,262)	-
Changes in assumptions	(1,476,896)	(1,740,682)	765,362	(3,371,747)	47,498	1,176,031	1,998,880	-
Benefit payments	(516,397)	(491,465)	(435,747)	(442,218)	(389,361)	(385,695)	(340,368)	(484,563)
Net change in total OPEB liability	(724,824)	727,211	1,580,902	(4,240,823)	630,104	1,876,846	1,567,039	406,768
Total OPEB Liability, Beginning	14,884,313	14,157,102	12,576,200	16,817,023	16,186,919	14,310,073	12,743,034	12,336,266
Total OPEB Liability, Ending	$ 14,159,489	$ 14,884,313	$ 14,157,102	$ 12,576,200	$ 16,817,023	$ 16,186,919	$ 14,310,073	$ 12,743,034
Covered-Employee Payroll	$ 5,692,383	$ 5,544,349	$ 5,472,416	$ 5,330,102	$ 5,105,416	$ 4,972,646	$ 4,150,517	$ 4,150,517
Total OPEB Liability as a Percentage of Covered-Employee Payroll	248.74 %	268.46 %	258.70 %	235.95 %	329.40 %	325.52 %	344.78 %	307.02 %

Notes to Schedule:

The City implemented GASB Statements No. 75 in 2018. Information prior to 2018 is not available.

See notes to required supplementary information

Schedule of Proportionate Share of the Net OPEB Liability -
Wisconsin Life Insurance Plan
Year Ended December 31, 2025

ETF Fiscal Year End	Proportion of the Net OPEB Liability	Proportionate Share of the Net OPEB Liability	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage OPEB Liability
12/31/17	0.10105300 %	$ 304,026	$ 4,249,568	7.15 %	44.81 %
12/31/18	0.09395700 %	242,441	4,480,000	5.41 %	48.69 %
12/31/19	0.08653300 %	368,474	4,454,000	8.27 %	37.58 %
12/31/20	0.08297500 %	456,422	4,313,000	10.58 %	31.36 %
12/31/21	0.08450600 %	499,462	4,649,000	10.74 %	29.57 %
12/31/22	0.08044200 %	306,470	4,793,000	6.39 %	38.81 %
12/31/23	0.07988200 %	367,509	4,953,000	7.42 %	33.90 %
12/31/24	0.08177800 %	319,937	5,195,000	6.16 %	37.20 %

Schedule of Employer Contributions - Wisconsin Life Insurance Plan
Year Ended December 31, 2025

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/18	$ 16,321	$ 16,321	$ -	$ 4,480,000	0.36 %
12/31/19	10,234	10,234	-	4,454,000	0.23 %
12/31/20	9,003	9,003	-	4,313,000	0.21 %
12/31/21	10,826	10,826	-	4,649,000	0.23 %
12/31/22	8,714	8,714	-	4,793,000	0.18 %
12/31/23	10,540	10,540	-	4,953,000	0.21 %
12/31/24	10,125	10,125	-	5,195,000	0.19 %
12/31/25	10,058	10,058	-	5,926,055	0.17 %

Schedule of Proportionate Share of the Net Pension Liability (Asset) -
Wisconsin Retirement System
Year Ended December 31, 2025

WRS Fiscal Year End	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Liability (Asset) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Liability
12/31/15	0.05089090 %	$ 826,967	$ 5,103,921	16.20 %	98.20 %
12/31/16	0.04965754 %	409,297	4,675,875	8.75 %	99.12 %
12/31/17	0.04951798 %	(1,470,247)	4,811,050	30.56 %	102.93 %
12/31/18	0.04929048 %	1,753,600	4,853,074	36.13 %	96.45 %
12/31/19	0.05004019 %	(1,613,524)	4,822,550	33.46 %	102.96 %
12/31/20	0.04989726 %	(3,115,155)	4,892,774	63.67 %	105.26 %
12/31/21	0.05008580 %	(4,037,007)	5,153,896	78.48 %	106.02 %
12/31/22	0.05095412 %	2,699,398	5,348,947	50.47%	95.72%
12/31/23	0.05202282 %	773,478	5,546,131	13.95%	98.85%
12/31/24	0.05277710 %	867,215	5,707,632	15.19%	98.79%

Schedule of Employer Contributions - Wisconsin Retirement System
Year Ended December 31, 2025

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/16	$ 474,958	$ 474,958	$ -	$ 4,675,875	10.16 %
12/31/17	565,571	565,571	-	4,811,050	11.76 %
12/31/18	580,333	580,333	-	4,853,074	11.96 %
12/31/19	562,134	562,134	-	4,822,550	11.66 %
12/31/20	594,507	594,507	-	4,892,774	12.15 %
12/31/21	620,991	620,991	-	5,153,896	12.05 %
12/31/22	640,904	640,904	-	5,348,947	11.98 %
12/31/23	717,226	717,226	-	5,546,131	12.93 %
12/31/24	790,937	790,937	-	5,707,632	13.86 %
12/31/25	846,029	846,029	-	5,926,055	14.28 %

See notes to required supplementary information

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The City may authorize transfers of budgeted amounts within departments. Transfers between departments and changes to the overall budget must be approved by a two-thirds action.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the department level of expenditure.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the postretirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the postretirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Local Retiree Life Insurance Fund

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in LRLIF.

Changes in assumptions. In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

Other Postemployment Benefits - Health

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms.

Changes in assumptions. The discount rate changed from 3.26% to 4.83%, the inflation rate changed from 1.81% to 3.38%.

SUPPLEMENTARY INFORMATION

City of St. Francis

Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2025

	Special Revenue Funds				
	Recycling	Library	Library Donations	Library Reciprocal Borrowing	Police Community Relations
Assets					
Cash and investments	$ 312,918	$ 112,514	$ 124,633	$ 335,330	$ 64,528
Receivables:					
Tax roll receivable	229,590	701,663	-	-	-
Special assessments	-	-	-	-	-
Prepaid items	-	-	-	-	-
Total assets	$ 542,508	$ 814,177	$ 124,633	$ 335,330	$ 64,528
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	$ 12,958	$ 7,166	$ -	$ 4,713	$ -
Accrued liabilities	673	19,412	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	13,631	26,578	-	4,713	-
Deferred Inflows of Resources					
Unearned revenues	229,590	701,663	-	-	-
Total deferred inflows of resources	229,590	701,663	-	-	-
Fund Balances (Deficit)					
Restricted	299,287	85,936	124,633	330,617	-
Committed	-	-	-	-	64,528
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficits)	299,287	85,936	124,633	330,617	64,528
Total liabilities, deferred inflows of resources and fund balances (deficits)	$ 542,508	$ 814,177	$ 124,633	$ 335,330	$ 64,528

Special Revenue Funds				Capital Projects Funds		
Garbage	ARPA Fund	Fire Department Donations	Asset Forfeiture	Civic Center	Streets	Total Nonmajor Governmental Funds
$ -	$ 19,881	$ 31,738	$ 1,234	$ -	$ -	$ 1,002,776
396,964	-	-	-	-	-	1,328,217
-	-	-	-	-	264,073	264,073
-	195,681	-	-	-	-	195,681
$ 396,964	$ 215,562	$ 31,738	$ 1,234	$ -	$ 264,073	$ 2,790,747
$ 35,423	$ -	$ -	$ -	$ -	$ 43,422	$ 103,682
-	-	-	-	-	-	20,085
44,703	-	-	-	-	752,338	797,041
-	215,562	-	-	-	264,073	479,635
80,126	215,562	-	-	-	1,059,833	1,400,443
396,964	-	-	-	-	-	1,328,217
396,964	-	-	-	-	-	1,328,217
-	-	31,738	1,234	-	-	873,445
-	-	-	-	-	-	64,528
(80,126)	-	-	-	-	(795,760)	(875,886)
(80,126)	-	31,738	1,234	-	(795,760)	62,087
$ 396,964	$ 215,562	$ 31,738	$ 1,234	$ -	$ 264,073	$ 2,790,747

City of St. Francis

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -
Nonmajor Governmental Funds
Year Ended December 31, 2025

	Special Revenue Funds				
	Recycling	Library	Library Donations	Library Reciprocal Borrowing	Police Community Relations
Revenues					
Taxes	$ -	$ 670,210	$ -	$ -	$ -
Intergovernmental	33,434	2,000	-	66,180	-
Public charges for services	229,860	11,535	-	-	-
Special assessments	-	-	-	-	-
Investment income	-	97	-	-	-
Miscellaneous revenues	-	7,092	97,227	-	23,694
Total revenues	263,294	690,934	97,227	66,180	23,694
Expenditures					
Current:					
Public safety	-	-	-	-	21,715
Public works	243,629	-	-	-	-
Culture, recreation and education	-	659,660	12,683	31,491	-
Capital outlay	-	-	-	-	-
Total expenditures	243,629	659,660	12,683	31,491	21,715
Net change in fund balances	19,665	31,274	84,544	34,689	1,979
Fund Balances, Beginning	279,622	54,662	40,089	295,928	62,549
Fund Balances, Ending	$ 299,287	$ 85,936	$ 124,633	$ 330,617	$ 64,528

Special Revenue Funds				Capital Projects Funds		
Garbage	ARPA Fund	Fire Department Donations	Asset Forfeiture	Civic Center	Streets	Total Nonmajor Governmental Funds
$ 385,402	$ -	$ -	$ -	$ -	$ -	$ 1,055,612
-	7,267	-	-	-	-	108,881
-	-	-	-	-	-	241,395
-	-	-	-	-	171,571	171,571
-	-	-	181	-	-	278
-	-	-	-	-	-	128,013
385,402	7,267	-	181	-	171,571	1,705,750
-	-	4,756	-	-	-	26,471
422,432	-	-	-	-	-	666,061
-	-	-	-	-	-	703,834
-	7,267	-	-	-	967,331	974,598
422,432	7,267	4,756	-	-	967,331	2,370,964
(37,030)	-	(4,756)	181	-	(795,760)	(665,214)
(43,096)	-	36,494	1,053	-	-	727,301
$ (80,126)	$ -	$ 31,738	$ 1,234	$ -	$ (795,760)	$ 62,087