

**City of St. Francis  
Tax Incremental District No. 3**

Financial Statements and  
Supplementary Information

December 31, 2024

# City of St. Francis Tax Incremental District No. 3

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## Accountants' Compilation Report

To the City Common Council of  
City of St. Francis

Management is responsible for the accompanying Balance Sheet, Historical Summary of Project Costs, Project Revenues and Net Cost to Be Recovered Through Tax Increments and Historical Summary of Sources, Uses and Status of Funds of the City of St. Francis' Tax Incremental District No. 3 (District or TID No. 3) as of and for the year ended December 31, 2024 and from the date of creation through December 31, 2024, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to, and do not, present fairly the financial position of the City of St. Francis as of December 31, 2024, the changes in its financial position, or, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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

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

*Baker Tilly US, LLP*

Milwaukee, Wisconsin  
December 11, 2025

**City of St. Francis Tax Incremental District No. 3**

Balance Sheet  
December 31, 2024

	<u>Capital Projects Fund</u>
<b>Assets</b>	
Cash and investments	\$ 862,981
Taxes receivable	346,101
Special assessments receivable	<u>23,342</u>
Total assets	<u>\$ 1,232,424</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance (Deficit)</b>	
<b>Liabilities</b>	
Advances from City General Fund	<u>\$ 2,724,285</u>
Total liabilities	<u>2,724,285</u>
<b>Deferred Inflows of Resources</b>	
Unearned revenue	346,101
Unavailable revenue	<u>23,342</u>
Total deferred inflows of resources	<u>369,443</u>
<b>Fund Balance (Deficit)</b>	
Unassigned (deficit)	<u>(1,861,304)</u>
Total fund balance (deficit)	<u>(1,861,304)</u>
Total liabilities, deferred inflows of resources and fund balance (deficit)	<u>\$ 1,232,424</u>

### City of St. Francis Tax Incremental District No. 3

Historical Summary of Project Costs, Project Revenues  
and Net Cost to Be Recovered Through Tax Increments

Year Ended December 31, 2024 and From the Date of Creation Through December 31, 2024

	<u>Year Ended</u>	<u>From the Date of Creation</u>
<b>Project Costs</b>		
Capital expenditures	\$ -	\$ 6,096,249
Administration	1,500	146,317
Developer incentive	-	38,829
Debt discount and issuance costs	-	256,119
Interest and fiscal charges	147,236	3,429,938
Transfers to other funds	-	1,131,926
	<u>148,736</u>	<u>11,099,378</u>
<b>Project Revenues</b>		
Tax increments	363,184	4,990,813
Intergovernmental revenues	-	289,684
Investment income	-	192,457
Special assessments	-	839,091
Premium on long-term debt issued	-	87,786
Transfers from other funds	-	808,243
	<u>363,184</u>	<u>7,208,074</u>
Net costs recoverable (recovered) through tax increments, December 31, 2024	<u>\$ (214,448)</u>	<u>\$ 3,891,304</u>
<b>Reconciliation of Recoverable Costs</b>		
General obligation debt		\$ 2,030,000
Add fund balance deficit		<u>1,861,304</u>
Net costs recoverable through tax increments, December 31, 2024		<u>\$ 3,891,304</u>

See notes to financial statements

## City of St. Francis Tax Incremental District No. 3

### Historical Summary of Sources, Uses and Status of Funds

Year Ended December 31, 2024 and From the Date of Creation Through December 31, 2024

	<u>Year Ended</u>	<u>From the Date of Creation</u>
<b>Sources of Funds</b>		
Tax increments	\$ 363,184	\$ 4,990,813
Intergovernmental revenues	-	289,684
Investment income	-	192,457
Special assessments	-	839,091
Capital lease issued	-	4,505,228
Premium on long-term debt issued	-	87,786
Long-term debt issued	-	3,120,000
Transfers from other funds	-	808,243
	<u>363,184</u>	<u>14,833,302</u>
Total sources of funds		
<b>Uses of Funds</b>		
Capital expenditures	-	6,096,249
Administration	1,500	146,317
Developer incentive	-	38,829
Debt discount and issuance costs	-	256,119
Interest and fiscal charges	147,236	3,429,938
Principal on long-term debt and capital leases	170,000	5,595,228
Transfers to other funds	-	1,131,926
	<u>318,736</u>	<u>16,694,606</u>
Total uses of funds		
Excess (deficiency) of sources of funds over uses of funds	44,448	(1,861,304)
Beginning Fund Balance (Deficit)	<u>(1,905,752)</u>	<u>-</u>
Ending Fund Balance (Deficit)	<u>\$ (1,861,304)</u>	<u>\$ (1,861,304)</u>

See notes to financial statements

# City of St. Francis Tax Incremental District No. 3

Notes to Financial Statements  
December 31, 2024

## 1. Summary of Significant Accounting Policies

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

The City of St. Francis (the City) has implemented accounting principles generally accepted in the United States of America to the extent they apply in determining the scope of the activity of the District. The accompanying financial statements reflect all the significant operations of the District. The accompanying financial statements do not include the full presentation of the City.

### Description of Fund Structure and Long-Term Debt

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

TID No. 3 Capital Projects Fund

Detailed descriptions of the purpose of this fund can be found in the City's basic financial statements.

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

The District was created under the provisions of Wisconsin Statute Section 66.1105. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the District to collect tax increments until the net project cost has been fully recovered, or until 27 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District.

### Original Project Plan

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

### Plan Amendment

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

### Basis of Accounting

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

## City of St. Francis Tax Incremental District No. 3

Notes to Financial Statements

December 31, 2024

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

Special assessments are recorded as revenues when collected. Annual installments due in future years are accounted for as receivables and unavailable revenues. \$23,342 of outstanding special assessments are receivable as of the date of this report.

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

### **Use of Estimates**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### **Measurement Focus**

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

### **Project Plan Budget**

The estimated revenues and expenditures of the District are adopted in the project plan. Those estimates are for the entire life of the District and may not be comparable to interim results presented in this report.

### **Long-Term Debt**

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

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

### **Claims and Judgments**

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

# City of St. Francis Tax Incremental District No. 3

Notes to Financial Statements  
December 31, 2024

## 2. Cash and Temporary Investments

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

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

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

## 3. Advances From City Funds

The general fund advanced funds to the District. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the District's inception. The general fund is charging the District interest on the advance based on the average outstanding advance balance during the year at a rate of 3%. No repayment schedule has been established. The balance outstanding at December 31, 2024 was \$2,724,285.

## 4. Long-Term Debt

### General Obligation Debt

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

Title of Issue	Date of Issue	Due Date	Interest Rate	Original Indebtedness	Repaid	Balance 12/31/2024
G.O. Refunding Bonds	12/29/16	03/01/34	3.0-3.5 %	\$ 3,120,000	\$ 1,090,000	\$ 2,030,000

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

Calendar Year	Principal	Interest	Total
2025	\$ 175,000	\$ 62,713	\$ 237,713
2026	180,000	57,388	237,388
2027	185,000	51,913	236,913
2028	195,000	46,213	241,213
2029	200,000	40,288	240,288
2030-2034	1,095,000	97,394	1,192,394
Total	\$ 2,030,000	\$ 355,909	\$ 2,385,909

## City of St. Francis Tax Incremental District No. 3

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Notes to Financial Statements

December 31, 2024

### 5. District Assessment

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

### 6. Developer Incentive

The City of St. Francis has entered into a development agreement with Asset Control, LLC. The agreement guarantees that Asset Control, LLC will receive a payment equal to 80% of the tax increment revenue generated by the improved property, beginning in 2007 (or the first year of the increment increases) and ending in 2017 (or the 10<sup>th</sup> 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.

**City of St. Francis Tax Incremental District No. 3**

Detailed Schedule of Sources, Uses and Status of Funds  
From the Date of Creation Through December 31, 2024

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	Total	Project Plan Estimate
<b>Sources of Funds</b>																					
Tax increments	\$ -	\$ 123,679	\$ 89,405	\$ 139,604	\$ 1,050,364	\$ -	\$ -	\$ 71,135	\$ -	\$ -	\$ -	\$ 920,834	\$ 350,976	\$ 360,713	\$ 338,281	\$ 520,571	\$ 408,228	\$ 377,318	\$ 363,184	\$ 4,990,813	\$ 23,491,120
Intergovernmental revenues	-	498	488	393	262	317	329	275	5,927	142,539	-	13	-	16,233	-	(781)	-	-	-	-	289,684
Investment income	-	37,894	42,765	3,827	11	32	21,534	19,092	16,687	12,542	14,044	12,363	6,621	3,967	1,078	-	-	-	-	-	192,457
Special assessments	-	-	-	-	58,634	85,472	85,699	128,542	83,681	67,774	85,522	72,878	65,122	77,023	28,744	-	-	-	-	-	839,091
Capital lease issued	-	4,505,228	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,505,228
Transfers from other funds	-	-	-	-	49,648	380,000	378,595	-	-	-	-	-	-	-	-	-	-	-	-	-	808,243
Premium on debt issued	-	-	-	-	-	-	-	-	-	-	87,786	-	-	-	-	-	-	-	-	-	87,786
Proceeds from debt issued	-	-	-	-	-	-	-	-	-	-	3,120,000	-	-	-	-	-	-	-	-	-	3,120,000
<b>Total sources of funds</b>	<b>4,666,801</b>	<b>2,846,210</b>	<b>962,460</b>	<b>893,395</b>	<b>2,861,813</b>	<b>705,157</b>	<b>496,257</b>	<b>477,522</b>	<b>561,908</b>	<b>502,072</b>	<b>601,349</b>	<b>3,182,153</b>	<b>313,065</b>	<b>383,350</b>	<b>325,576</b>	<b>432,872</b>	<b>474,940</b>	<b>314,950</b>	<b>318,736</b>	<b>16,694,606</b>	<b>43,276,235</b>
<b>Uses of Funds</b>																					
Capital expenditures	-	2,655,440	773,084	661,504	1,628,545	210,159	36,948	13,712	86,908	12,996	3,059	-	-	13,894	-	-	-	-	-	-	15,972,149
Contingency	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	600,000
Administration, in house	40,821	1,491	2,297	4,536	12,843	6,100	9,335	11,582	7,866	13,369	-	-	5,749	23,567	3,760	-	1,501	-	1,500	146,317	-
Developer incentive	-	-	-	-	-	-	-	-	-	-	-	-	-	-	14,228	12,122	-	-	-	-	38,829
Debt discount and issuance costs	-	143,135	-	-	-	-	-	-	-	-	112,984	-	-	-	-	-	-	-	-	-	256,119
Interest and fiscal charges	-	8,250	155,144	223,785	276,830	293,898	244,974	242,228	247,131	245,667	245,306	161,968	162,316	159,959	157,588	155,127	152,681	149,950	147,236	3,429,938	9,703,423
Principal on long-term debt	-	-	-	-	185,000	195,000	205,000	210,000	220,003	230,040	240,000	3,020,185	145,000	145,000	150,000	155,000	160,000	165,000	170,000	5,595,228	16,325,000
Transfers to other funds	-	37,894	31,835	3,570	758,595	-	-	-	-	-	-	-	-	40,830	-	110,623	148,379	-	-	1,131,926	-
<b>Total uses of funds</b>	<b>40,821</b>	<b>2,846,210</b>	<b>962,460</b>	<b>893,395</b>	<b>2,861,813</b>	<b>705,157</b>	<b>496,257</b>	<b>477,522</b>	<b>561,908</b>	<b>502,072</b>	<b>601,349</b>	<b>3,182,153</b>	<b>313,065</b>	<b>383,350</b>	<b>325,576</b>	<b>432,872</b>	<b>474,940</b>	<b>314,950</b>	<b>318,736</b>	<b>16,694,606</b>	<b>43,276,235</b>
<b>Fund Balance (Deficit), December 31, 2024</b>																					<b>\$ (1,961,304)</b>

