City of Waterloo
Tax Incremental District No. 4

Financial Statements and
Supplementary Information

December 31, 2025

City of Waterloo Tax Incremental District No. 4

Table of Contents
December 31, 2025

Accountants' Compilation Report

To the City Council of
City of Waterloo

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 Waterloo's Tax Incremental District No. 4 (the District) as of and for the year ended December 31, 2025 and from the date of creation through December 31, 2025, in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the *Accounting and Review Services Committee* of the American Institute of Certified Public Accountants. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

As discussed in Note 1, the financial statements present only the transactions of the District and do not purport to and do not, present fairly the financial position of the City of Waterloo as of December 31, 2025, 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.

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.

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

Baker Tilly US, LLP

Madison, Wisconsin
April 14, 2026

City of Waterloo Tax Incremental District No. 4

Balance Sheet
December 31, 2025

		Capital Projects Fund
Assets		
Cash and investments	$	187,217
Taxes receivable		27,736
Total assets	$	214,953
Deferred Inflows of Resources and Fund Balance		
Deferred Inflows of Resources		
Unearned revenue	$	27,736
Fund Balance		
Restricted		187,217
Total deferred inflows of resources and fund balance	$	214,953

See notes to financial statements

City of Waterloo Tax Incremental District No. 4

Historical Summary of Project Costs, Project Revenues and
Net Cost to Be Recovered Through Tax Increments
Year Ended December 31, 2025 and From the Date of Creation Through December 31, 2025

	Year Ended	From the Date of Creation
Project Costs		
Professional services, planning, engineering, other	$ 1,451	$ 103,428
Total project costs	1,451	103,428
Project Revenues		
Tax increments	65,170	281,513
Exempt computer aid	238	2,210
Intergovernmental grants	3,590	6,922
Total project revenues	68,998	290,645
Net costs recoverable (recovered) through tax increments, December 31, 2025	$ (67,547)	$ (187,217)

See notes to financial statements

City of Waterloo Tax Incremental District No. 4

Historical Summary of Sources, Uses and Status of Funds
Year Ended December 31, 2025 and From the Date of Creation Through December 31, 2025

	Year Ended	From the Date of Creation
Sources of Funds		
Tax increments	$ 65,170	$ 281,513
Exempt computer aid	238	2,210
Intergovernmental grants	3,590	6,922
Total sources of funds	68,998	290,645
Uses of Funds		
Professional services, planning, engineering, other	1,451	103,428
Total uses of funds	1,451	103,428
Excess of sources of funds over uses of funds	67,547	187,217
Beginning Fund Balance	119,670	-
Ending Fund Balance	$ 187,217	$ 187,217

See notes to financial statements

1. Summary of Significant Accounting Policies

The accounting policies of the City of Waterloo's Tax Incremental District No. 4 (the District) conform to accounting principles as applicable to governmental units and as defined by Wisconsin Statutes Section 66.1105.

The City of Waterloo (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:

Capital Projects Fund TIF District No. 4

Detailed descriptions of the purpose of this fund and long-term debt 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 purpose financial statements.

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

The statutes allow the District to collect tax increments until the net project cost has been fully recovered, or until 20 years after the creation date, whichever occurs first. Project costs uncollected at the dissolution date are absorbed by the City. Project costs may be incurred up to five years before the unextended termination date of the District.

Original Project Plan

	Creation Date	Last Date to Incur Project Costs	Last Year to Collect Increment
TID No. 4	January 1, 2014	December 5, 2028	2034

Basis of Accounting

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

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

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

Use of Estimates

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

Measurement Focus

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

Project Plan Budget

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

Long-Term Debt

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

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

Claims and Judgments

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

2. Cash and Temporary Investments

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

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

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

3. Developer Payments

None.

City of Waterloo Tax Incremental District No. 4

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Total	Project Plan Estimate
Sources of Funds															
Tax increments	$ -	$ -	$ -	$ -	$ 15,917	$ 22,008	$ 21,170	$ 25,891	$ 28,076	$ 10,415	$ 52,273	$ 40,593	$ 65,170	$ 281,513	$ 631,728
Exempt computer aid	-	-	-	-	229	232	321	238	238	238	238	238	238	2,210	-
Intergovernmental grants	-	-	-	-	-	-	-	-	1,283	683	683	683	3,590	6,922	-
Investment income	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,705
Long-term debt issued	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430,000
Total sources of funds	-	-	-	-	16,146	22,240	21,491	26,129	29,597	11,336	53,194	41,514	68,998	290,645	1,063,433
Uses of Funds															
Capital expenditures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	373,000
Professional services, planning, engineering, other	12,500	3,000	650	650	774	638	249	568	2,343	29,275	26,980	24,350	1,451	103,428	40,000
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	188,850
Principal on long-term debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	430,000
Total uses of funds	12,500	3,000	650	650	774	638	249	568	2,343	29,275	26,980	24,350	1,451	103,428	1,031,850
Fund Balance, December 31, 2025														$ 187,217	

City of Waterloo Tax Incremental District No. 4

Detailed Schedule of Capital and Professional Service Expenditures
Year Ended December 31, 2025 and From the Date of Creation Through December 31, 2025

	Actual	Project Plan Estimate
Original Project Plan		
Development incentives	$ -	$ 5,000
Revolving loan	-	290,000
Buy local campaign	-	12,000
Signage and wayfindings	-	1,000
Professional services	103,428	40,000
Utility improvements	-	65,000
Total capital and professional services expenditures	$ 103,428	$ 413,000