

New Issue

Rating: Moody's Investor's Service "Aa3"

**ADDENDUM DATED SEPTEMBER 27, 2022
TO PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 20, 2022**

CITY OF RIVER FALLS, WISCONSIN
(Pierce and St. Croix Counties)

\$4,845,000 WATER SYSTEM REVENUE BONDS, SERIES 2022D

BID OPENING: September 27, 2022, 10:30 AM C.T.

This addendum is being distributed to update the preliminary official statement to remove the refunding of the City's Water System Revenue Bonds, Series 2011A, dated July 6, 2011 (the "2011 Bonds") which has caused updates to the following information:

- The par amount decreased from \$5,995,000 to \$4,845,000.
- The minimum bid amount has changed from \$5,911,070 to \$4,777,170.
- The good faith deposit amount has changed from \$119,900 to \$96,900.
- The Bonds will be issued on a parity with the 2011 Bonds with respect to the pledge of Net Revenues and all references to Net Revenues in the Preliminary Official Statement shall be read to also include the 2011 Bonds. The 2011 Bonds are also secured by the Reserve Account.

The revised Notice of Sale is attached to include the updated par amount of the Bonds, maturity schedule, minimum bid amount and good faith deposit.

The revised coverage table for the 2011 Bonds and the Bonds is also attached. Net Revenues for 2021 have not changed.

APPENDIX E

NOTICE OF SALE

\$4,845,000* WATER SYSTEM REVENUE BONDS, SERIES 2022D CITY OF RIVER FALLS, WISCONSIN

Bids for the purchase of \$4,845,000* Water System Revenue Bonds, Series 2022D (the "Bonds") of the City of River Falls, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on September 27, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements and extensions to the City's Water System (the "Water System"). The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (defined in the Preliminary Official Statement) on a parity with the City's Water System Revenue Bonds, Series 2011A, dated July 6, 2011.

DATES AND MATURITIES

The Bonds will be dated October 18, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$160,000	2030	\$210,000	2037	\$280,000
2024	170,000	2031	220,000	2038	295,000
2025	175,000	2032	225,000	2039	310,000
2026	185,000	2033	235,000	2040	325,000
2027	190,000	2034	245,000	2041	340,000
2028	195,000	2035	255,000	2042	355,000
2029	205,000	2036	270,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a

business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2031 shall be subject to optional redemption prior to maturity on May 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about October 18, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding)(See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$4,777,170 plus accrued interest on the principal sum of \$4,845,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$96,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the

Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Amy White, Administrative Services Manager/City Clerk
City of River Falls, Wisconsin

BID FORM

The Common Council
City of River Falls, Wisconsin (the "City")

September 27, 2022

RE: \$4,845,000* Water System Revenue Bonds, Series 2022D (the "Bonds")
DATED: October 18, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$4,777,170) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

% due	2023	% due	2030	% due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036		

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$96,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about October 18, 2022.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____ 10% test, or the _____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____
Account Members: _____

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from October 18, 2022 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of River Falls, Wisconsin, on September 27, 2022.

By: _____ By: _____
Title: _____ Title: _____

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 10/18/2022)

Water System Revenue Bonds		Water System Revenue Bonds		Water System Revenue Bonds		Water System Revenue Bonds	
Series 2011A		Series 2022D		Series 2022E		Series 2022F	
Dated Amount	Maturity	07/06/2011 \$2,125,000	10/18/2022 \$4,845,000*	05/01	05/01	10/18/2022 \$4,845,000*	05/01
Calendar Year Ending		Estimated Interest	Principal	Total Principal	Total Interest	Total P & I	Principal Outstanding
2022	0	23,810	0	0	23,810	23,810	6,020,000
2023	110,000	45,750	160,000	208,190	270,000	253,940	5,750,000
2024	115,000	41,695	170,000	195,313	285,000	237,008	5,465,000
2025	120,000	37,230	175,000	189,448	295,000	226,678	5,170,000
2026	125,000	32,450	185,000	183,281	310,000	215,731	4,860,000
2027	130,000	27,350	190,000	176,765	320,000	204,115	4,540,000
2028	135,000	21,915	195,000	170,028	330,000	191,943	4,210,000
2029	140,000	16,140	205,000	162,976	345,000	179,116	3,895,000
2030	145,000	10,010	210,000	155,505	355,000	165,515	3,510,000
2031	155,000	3,410	220,000	147,493	375,000	150,903	3,135,000
2032	225,000	138,925	225,000	138,925	363,925	129,779	2,910,000
2033	235,000	129,779	235,000	129,779	364,779	129,566	2,675,000
2034	245,000	119,814	245,000	119,814	364,814	124,300	2,430,000
2035	255,000	109,061	255,000	109,061	364,061	121,750	2,175,000
2036	270,000	97,305	270,000	97,305	367,305	97,305	1,905,000
2037	280,000	84,585	280,000	84,585	364,585	84,585	1,625,000
2038	295,000	71,143	295,000	71,143	366,143	71,143	1,330,000
2039	310,000	56,848	310,000	56,848	366,848	56,848	1,020,000
2040	325,000	41,685	325,000	41,685	366,685	41,685	695,000
2041	340,000	25,640	340,000	25,640	365,640	25,640	355,000
2042	355,000	8,698	355,000	8,698	363,698	8,698	0
	1,175,000	259,760		4,845,000	2,472,479	6,020,000	2,732,239

* Preliminary; subject to change.

**The debt service coverage ratios included on this page are calculated using 2021 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021 and future Net Revenues may be materially different

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 20, 2022

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Bonds. The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

The Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issue

Rating Application Made: Moody's Investors Service, Inc.

CITY OF RIVER FALLS, WISCONSIN (Pierce and St. Croix Counties)

\$5,995,000* WATER SYSTEM REVENUE BONDS, SERIES 2022D

BID OPENING: September 27, 2022, 10:30 A.M., C.T. **CONSIDERATION:** September 27, 2022, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$5,995,000* Water System Revenue Bonds, Series 2022D (the "Bonds") of the City of River Falls, Wisconsin (the "City") are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements and extensions to the City's Water System (the "Water System") and current refunding certain outstanding obligations of the City as more fully described herein. The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (defined herein). Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF BONDS:

October 18, 2022

MATURITY:

May 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2023	\$280,000	2030	\$355,000	2037	\$280,000
2024	295,000	2031	315,000	2038	290,000
2025	305,000	2032	230,000	2039	305,000
2026	315,000	2033	235,000	2040	320,000
2027	325,000	2034	245,000	2041	335,000
2028	340,000	2035	255,000	2042	350,000
2029	350,000	2036	270,000		

***MATURITY ADJUSTMENTS:**

The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

See "Term Bond Option" herein.

TERM BONDS: May 1, 2023 and semiannually thereafter.

INTEREST: Bonds maturing on May 1, 2031 and thereafter are subject to call for prior optional redemption on May 1, 2030 or on any date thereafter, at a price of par plus accrued interest.

OPTIONAL REDEMPTION: \$5,911,070.

MINIMUM BID: A good faith deposit in the amount of \$119,900 shall be made by the winning bidder by wire transfer of funds.

GOOD FAITH DEPOSIT:

U.S. Bank Trust Company, National Association.

PAYING AGENT:

Quarles & Brady LLP.

BOND COUNSEL &

Ehlers and Associates, Inc.

DISCLOSURE COUNSEL:

See "Book-Entry-Only System" herein (unless otherwise specified by the purchaser).

MUNICIPAL ADVISOR:

BOOK-ENTRY-ONLY:

REPRESENTATIONS

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained in this Preliminary Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. ***This Preliminary Official Statement does not constitute an offer to sell or a solicitation of an offer to buy any of the Bonds in any jurisdiction to any person to whom it is unlawful to make such an offer or solicitation in such jurisdiction.***

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers and Associates, Inc. prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Quarles & Brady LLP will serve as Disclosure Counsel to the City with respect to the Bonds. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Bonds.

COMPLIANCE WITH S.E.C. RULE 15c2-12

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the "Rule").

Preliminary Official Statement: This Preliminary Official Statement was prepared for the City for dissemination to potential investors. Its primary purpose is to disclose information regarding the Bonds to prospective underwriters in the interest of receiving competitive proposals in accordance with the sale notice contained herein. Unless an addendum is posted prior to the sale, this Preliminary Official Statement shall be deemed nearly final for purposes of the Rule subject to completion, revision and amendment in a Final Official Statement as defined below.

Review Period: This Preliminary Official Statement has been distributed to prospective bidders for review. Comments or requests for the correction of omissions or inaccuracies must be submitted to Ehlers and Associates, Inc. at least two business days prior to the sale. Requests for additional information or corrections in the Preliminary Official Statement received on or before this date will not be considered a qualification of a proposal received from an underwriter. If there are any changes, corrections or additions to the Preliminary Official Statement, interested bidders will be informed by an addendum prior to the sale.

Final Official Statement: Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

Continuing Disclosure: Subject to certain exemptions, issues in an aggregate amount over \$1,000,000 may be required to comply with provisions of the Rule which require that underwriters obtain from the issuers of municipal securities (or other obligated party) an agreement for the benefit of the owners of the securities to provide continuing disclosure with respect to those securities. This Preliminary Official Statement describes the conditions under which the City is required to comply with the Rule.

CLOSING CERTIFICATES

Upon delivery of the Bonds, the underwriter (Syndicate Manager) will be furnished with the following items: (1) a certificate of the appropriate officials to the effect that at the time of the sale of the Bonds and all times subsequent thereto up to and including the time of the delivery of the Bonds, this Preliminary Official Statement did not and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (2) a receipt signed by the appropriate officer evidencing payment for the Bonds; (3) a certificate evidencing the due execution of the Bonds, including statements that (a) no litigation of any nature is pending, or to the knowledge of signers, threatened, restraining or enjoining the issuance and delivery of the Bonds, (b) neither the corporate existence or boundaries of the City nor the title of the signers to their respective offices is being contested, and (c) no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded; and (4) a certificate setting forth facts and expectations of the City which indicates that the City does not expect to use the proceeds of the Bonds in a manner that would cause them to be arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or within the meaning of applicable Treasury Regulations.

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CITY OF RIVER FALLS COMMON COUNCIL

		<u>Term Expires</u>
Dan Toland	Mayor	April 2024
Jeff Bjork	Alderperson	April 2024
Nick Carow	Alderperson	April 2023
Sean Downing	Alderperson	April 2023
Scott Morrissette	Alderperson	April 2024
Alyssa Mueller	Alderperson	April 2023
Diane Odeen	Alderperson	April 2023
Todd Bjerstadt	Alderperson	April 2024

ADMINISTRATION

Scot Simpson, City Administrator

Josh Solinger, Finance Director/Treasurer

Amy White, Administrative Services Manager/City Clerk

Kevin Westhuis, Utility Director

PROFESSIONAL SERVICES

Christopher Gierhart, Weld Riley S.C., City Attorney, Eau Claire, Wisconsin

Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin

Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of River Falls, Wisconsin (the "City") and the issuance of its \$5,995,000* Water System Revenue Bonds, Series 2022D (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution authorizing the issuance and sale of the Bonds ("Bond Resolution") to be adopted by the Common Council on September 27, 2022.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Roseville, Minnesota, (651) 697-8500, the City's municipal advisor. A copy of this Preliminary Official Statement may be downloaded from Ehlers' web site at www.ehlers-inc.com by connecting to the Bond Sales link and following the directions at the top of the site.

THE BONDS

GENERAL

The Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of October 18, 2022. The Bonds will mature on May 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board ("MSRB"). All Bonds of the same maturity must bear interest from the date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Bonds are held under the book-entry system, beneficial ownership interests in the Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Bonds shall be made through the facilities of DTC and its participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Bonds shall be payable as provided in the Bond Resolution.

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2031 shall be subject to optional redemption prior to maturity on May 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

*Preliminary, subject to change.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements and extensions to the City's Water System (the "Water System") and current refunding the City's Water System Revenue Bonds, Series 2011A, dated July 6, 2011 (the "2011 Bonds") as follows:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturity Being Refunded	Interest Rate	Principal to be Refunded	CUSIP Base 768194
2011 Bonds	07/06/11	11/01/22	par	2023*	3.40%	\$110,000	AL6
				2025*	3.80%	235,000	AN2
				2027*	4.00%	255,000	AQ5
				2029*	4.20%	275,000	AS1
				2031*	4.40%	<u>300,000</u>	AU6
Total 2011 Bonds Being Refunded						\$1,175,000	

*Denotes term bonds.

ESTIMATED SOURCES AND USES*

Sources

Par Amount of Bonds	\$5,995,000
Transfers from 2011 Bonds Debt Service Reserve Fund	158,640
Planned City Equity contribution	<u>910,000</u>
Total Sources	\$7,063,640

Uses

Estimated Underwriter's Discount	\$83,930
Costs of Issuance	101,850
Deposit to Debt Service Reserve Fund	522,868
Deposit to Project Construction Fund	5,177,899
Deposit to Current Refunding Fund	1,175,000
Rounding Amount	<u>2,093</u>
Total Uses	\$7,063,640

*Preliminary, subject to change.

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the Bond Resolution.

Source of Payment: THE BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY NOR A CHARGE AGAINST ITS GENERAL CREDIT OR TAXING POWER BUT ARE payable only out of "Net Revenues" that are deposited into or pledged to the Special Redemption Fund provided for in the Bond Resolution. Net Revenues are defined as all revenues of the Water System derived from any source less current expenses, excluding depreciation, debt service, tax equivalents and capital expenditures. In the Bond Resolution, the City covenants to deposit Net Revenues in an amount sufficient to pay principal of and interest the Bonds in the Special Redemption Fund and to use the funds in the Special Redemption Fund only for the purpose of paying principal and interest on the Bonds.

Rate Covenant: The City covenants to establish, charge and collect such lawfully established rates and charges for the services provided by the Water System so that each year Net Revenues will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds payable from the income and revenues of the Water System in that same year.

Additional Bonds Test: The City reserves the right and privilege to issue additional revenue bonds, from time to time, payable from Net Revenues of the Water System. Before such additional parity bonds are issued, the City must demonstrate that either (1) the Net Revenues of the Water System for the fiscal year immediately preceding the issuance of such additional obligations must have been equal to at least 1.25 times the average combined annual interest and principal requirements on all bonds outstanding payable from Revenues of the Water System (other than any bonds to be refunded) and on the bonds then to be issued. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the fiscal year immediately prior to the issuance of such additional obligations or during that part of the fiscal year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer, registered municipal advisor or the Wisconsin Public Service Commission may certify would have accrued during the prior fiscal year had the new rates been in effect during that entire immediately prior fiscal year; or (2) an independent certified public accountant, consulting professional engineer or registered municipal advisor provides a certificate setting forth for each of the three fiscal years commencing with the fiscal year following that in which the projects financed by such additional bonds are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Revenues of the Water System and on the bonds then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such fiscal year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

Service to City: The City is to pay the reasonable cost and value of any services rendered to the City by the Water System in an amount which, together with other revenues of the Water System, will produce Net Revenues equivalent to not less than 1.25 times the annual debt service requirements on the Bonds and any other outstanding bonds payable from the Water System. Such payment by the City is subject to annual appropriation by the Common Council and other conditions set forth in the Bond Resolution.

Bond Reserve Account: The City covenants to establish and maintain a Reserve Account in an amount equal to the least of (a) 10% of the stated principal amounts of the Bonds; (b) maximum annual debt service on the outstanding Bonds in any bond year; or (c) 125% of average annual debt service on the outstanding Bonds; provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the Bonds in any bond year. If parity bonds which are to be secured by the Reserve Account are issued, the Reserve Requirement shall mean an amount, determined as of the date of issuance of the parity bonds, equal to the least of (a) the amount required to be on deposit in the Reserve Account prior to the issuance of such parity bonds, plus the amount permitted to be deposited therein from proceeds of the parity bonds pursuant to Section 148(d)(1) of the Code and Regulations; (b) the maximum annual debt service in any bond year on outstanding obligations secured by the Reserve Account and the parity bonds to be issued; and (c) 125% of average annual debt service on the outstanding obligations secured

by the Reserve Account and the parity bonds to be issued, provided, however, that on an ongoing basis it shall never exceed the remaining maximum annual principal and interest due on the outstanding obligations secured by the Reserve Account and parity bonds in any bond year. Upon issuance of the Bonds, an amount necessary to make the amount on deposit in the Reserve Account equal to the reserve requirement will be deposited in the Reserve Account.

WATER SYSTEM REVENUE DEBT OUTSTANDING

All outstanding Water System revenue debt of the City is listed on the following page. The debt service coverage ratios included on this page are calculated using 2021 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021 and future Net Revenues may be materially different.

HISTORIC WATER SYSTEM DEBT SERVICE COVERAGES

The exhibit on the Page 6 presents the three-year historic debt service coverages of the Water System.

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 10/18/2022)

Water System Revenue Bonds Series 2022D			2021 Net Revenue Available for Debt Service** 1,072,757.00		
Calendar Year Ending	Principal	Estimated Interest	Total Principal	Total Interest	Total P & I
Dated Amount	10/18/2022 \$5,995,000*	05/01			
2023	280,000	233,016	280,000	233,016	513,016
2024	295,000	216,923	295,000	216,923	511,923
2025	305,000	207,918	305,000	207,918	512,918
2026	315,000	198,229	315,000	198,229	513,229
2027	325,000	188,068	325,000	188,068	513,068
2028	340,000	177,088	340,000	177,088	517,088
2029	350,000	165,095	350,000	165,095	515,095
2030	355,000	152,404	355,000	152,404	507,404
2031	315,000	140,098	315,000	140,098	455,098
2032	230,000	129,900	230,000	129,900	359,900
2033	235,000	120,948	235,000	120,948	355,948
2034	245,000	111,465	245,000	111,465	356,465
2035	255,000	101,338	255,000	101,338	356,338
2036	270,000	90,440	270,000	90,440	360,440
2037	280,000	78,750	280,000	78,750	358,750
2038	290,000	66,350	290,000	66,350	356,350
2039	305,000	53,108	305,000	53,108	358,108
2040	320,000	38,965	320,000	38,965	358,965
2041	335,000	23,980	335,000	23,980	358,980
2042	350,000	8,138	350,000	8,138	358,138
					0
	5,995,000	2,502,216			8,497,216
			5,995,000	2,502,216	
					8,497,216

* Preliminary, subject to change.

**The debt service coverage ratios included on this page are calculated using 2021 Net Revenues. No guarantee can be given that the Net Revenues in future years will be the same as the Net Revenues in 2021 and future Net Revenues may be materially different.

**HISTORIC OPERATING PERFORMANCE AND CALCULATION OF AMOUNT AVAILABLE FOR DEBT SERVICE
CITY OF RIVER FALLS, WI**

The following table sets forth the calculation of net revenues of the Water System available for debt service for the fiscal periods ending December 31 in the years:

	Audited	Audited	Audited
	2019	2020	2021
Operating Revenues			
Sales of Water	\$ 1,761,278	\$ 1,849,545	\$ 1,979,414
Total Operating Revenues	1,761,278	1,849,545	1,979,414
Operating Expenses			
Operation and Maintenance	958,153	818,779	913,815
Depreciation and Amortization	<u>451,514</u>	<u>468,907</u>	<u>476,517</u>
Total Operating Expenses	1,409,667	1,287,686	1,390,332
Operating Income (Loss)	351,611	561,859	589,082
Plus:			
Depreciation and Amortization	451,514	468,907	476,517
Interest Income	<u>57,010</u>	<u>21,580</u>	<u>7,158</u>
Net Revenues Available for Debt Service	\$ 860,135	\$ 1,052,346	\$ 1,072,757
Debt Service Payments			
\$2,125,000 Water System Revenue Bonds, Series 2011A	\$ 158,640	\$ 155,840	\$ 157,765
Debt Service Coverage	5.42	6.75	6.80

DESCRIPTION OF WATER SYSTEM

The River Falls Municipal Water Utility, as a department of the City, which also includes the electric, sewer and storm sewer utilities, is supported by a seven-member Utility Advisory Board appointed by the Mayor. The municipal utilities commenced operation in 1900 and currently serves approximately 7,141 electric customers, 5,935 water customers, and 5,073 sewer customers. The present members of the Utility Advisory Board are:

<u>Commissioner</u>	<u>Date First Appointed</u>	<u>Expiration of Term</u>
Open Position	N/A	May 2023
Mark Spafford	April 2018	May 2023
Tim Thum	April 2012	May 2024
Kellen Wells-Mangold	April 2018	May 2024
Adam Gierl	January 2022	May 2023
Chris Lick	May 2022	May 2025
Nick Carow	Council Representative	May 2023

The Utility Director is Kevin Westhuis, who was appointed to the position in 2013 and directs the operations of the electric, water and wastewater utilities.

Usage and Capacity

The Water System consists of five turbine wells with electric pumping equipment and a water distribution system. The wells have an actual capacity of 4,714 gallons per minute. The wells pumped an average of 1,281,112 gallons per day in 2021. The maximum gallons pumped in any one day during 2021 was 3,680,000 gallons and the minimum gallons pumped in any one day was 768,000 gallons. In addition, the Water System owns two steel elevated storage tanks and one underground storage tank with a total storage capacity of 1,300,000 gallons.

The Water System includes other related appurtenances including 353,693 feet of various types of 3/4"-16" water mains; 4,384 various types of 3/4"-8" water lines, 6,158 utility-owned meters; and 721 hydrants.

History of Water Customers¹

Year	Residential	Commercial	Public Authority	Industrial	Multi-Family Residential	Irrigation	Total
2017	4,229	291	75	19	72	695	5,381
2018	4,290	294	75	19	72	709	5,459
2019	4,360	300	74	20	72	756	5,582
2020	4,457	296	76	20	75	831	5,755
2021	4,570	300	75	20	79	891	5,935

¹Excludes fire protection services.

History of Water Billings by Customer Type

Year	Residential	Commercial	Public Authority	Industrial	Multi-Family Residential	Other Services ¹	Total Billings
2017	\$650,202	\$127,380	\$92,303	\$23,306	\$57,265	\$647,682	\$1,598,138
2018	661,713	131,548	91,922	26,849	54,603	674,930	1,641,565
2019	664,101	129,546	88,419	30,845	55,401	637,159	1,605,471
2020	699,979	119,738	72,166	32,076	59,160	687,799	1,670,918
2021	713,673	123,923	83,365	32,371	68,705	779,566	1,801,603

History of Water Sales

Year	No. of Customers ²	Gallons Sold (in 000's) ¹	Total Billings ¹
2017	5,381	360,554	\$1,598,138
2018	5,459	375,546	1,641,565
2019	5,582	356,672	1,605,471
2020	5,755	369,804	1,670,918
2021	5,935	415,865	1,801,603

2021 Larger Water Customers

Total 2021 Gallons Sold: 415,865,000

Total 2021 Billings: \$1,801,603

Customer	Gallons Sold	Billings	% of Total Billings
UW River Falls	26,655,540	\$76,441	4.24%
School District of River Falls	10,319,250	32,678	1.81%
Comforts of Home	9,419,100	25,027	1.39%
Minnesota Best Maid Cookie	10,253,240	14,968	0.83%
River Falls Soccer Club	4,954,900	13,504	0.75%
Feuerhelm Langer & Nelson CPA LTD	10,015,000	11,271	0.63%
Sterling Heights Condo Association	4,082,550	9,695	0.54%
Crystal Finishing Systems Inc.	6,762,000	8,949	0.50%
Cudds Court Mobile Home	4,220,000	7,810	0.43%
River Falls Municipal Utility	4,124,040	7,603	0.42%

¹Includes fire protection services.

²Excludes fire protection services.

Water Rates and Charges

Rates and charges for the Water System are subject to approval by the Wisconsin Public Service Commission (“WPSC”). The following monthly water rates have been in effect since June 27, 2016.

General Service Metered (MG-1)

Monthly customer charge:

5/8 inch or 3/4 inch meter - \$8.00	3 inch meter - \$ 59.00
1 inch meter - \$13.25	4 inch meter - \$ 91.75
1 1/4 inch meter - \$18.25	6 inch meter - \$168.75
1 1/2 inch meter - \$23.00	8 inch meter - \$260.50
2 inch meter - \$35.00	10 inch meter - \$381.50
	12 inch meter - \$502.75

Plus volume charge:

Residential Customers – Single Family:

First 4,000 gallons used monthly - \$1.39 per 1,000 gallons
Next 4,000 gallons used monthly - \$1.80 per 1,000 gallons
Over 8,000 gallons used monthly - \$2.56 per 1,000 gallons

Residential Customers – Multifamily:

All water used per month \$1.25 per 1,000 gallons

Non-residential Customers:

First 15,000 gallons used each month - \$1.72 per 1,000 gallons
Next 135,000 gallons used each month - \$1.40 per 1,000 gallons
Over 150,000 gallons used each month - \$1.11 per 1,000 gallons

Irrigation Customers:

All water used per month - \$2.56 per 1,000 gallons

Average Bill for Residential Service in 2021

Avg. Monthly Usage in Gallons	Avg. Monthly Bill
3,377	\$13.01

Bills for water service are rendered monthly and become due and payable upon issuance following the period for which service is rendered. A late payment charge of 1 percent per month will be added to bills not paid within 20 days of issuance. This late payment charge shall be applied to the total unpaid balance for utility service, including unpaid late payment charges. This late payment charge is applicable to all customers. The utility customer may be given a written notice that the bill is overdue no sooner than 20 days after the bill is issued. Unless payment or satisfactory arrangement for payment is made within the next 10 days, service may be disconnected pursuant to Wis. Admin. Code ch. PSC 185.

For residential customers without an irrigation meter, volumetric readings from all meters on a single service lateral shall be combined for billing. For nonresidential customers, volumetric readings may be combined for billing if the utility for its own convenience places more than one meter on a single water service lateral. This requirement does not preclude the utility from combining readings where metering configurations support such an approach. Volumetric readings from individually metered separate service laterals may not be combined for billing purposes.

Due to the spread of COVID-19, on March 22, 2020, Governor Tony Evers issued emergency order #11, temporarily suspending certain provisions of the Wisconsin Administrative Code relating to service rules for electric, natural gas and water public utilities. The WPSC accordingly issued an order stating that water public utilities may not disconnect or refuse service to customers, shall offer customers a deferred payment agreement if the customer is unable to pay a bill in full, and may not assess any fee or charge for late payment during the period of the order. The order was amended several times and expired April 15, 2021.

RATING

Outstanding Water System revenue debt of the City is currently rated "Aa3" by Moody's Investors Service, Inc. ("Moody's").

The City has requested a rating on the Bonds from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating, if any, reflects only the views of such organization and explanations of the significance of such rating may be obtained from Moody's.

Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that such rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely by such rating agency, if in the judgment of such rating agency circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Bonds, and the rating assigned by the rating agency should be evaluated independently. Except as may be required by the Disclosure Undertaking described under the heading "CONTINUING DISCLOSURE" neither the City nor the underwriter undertake responsibility to bring to the attention of the owner of the Bonds any proposed changes in or withdrawal of such rating or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

In order to assist brokers, dealers, and municipal securities dealers, in connection with their participation in the offering of the Bonds, to comply with Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule"), the City shall agree to provide certain information to the Municipal Securities Rulemaking Board ("MSRB") through its Electronic Municipal Market Access ("EMMA") system, or any system that may be prescribed in the future. The Rule was last amended, effective February 27, 2019, to include an expanded list of material events. The Disclosure Undertaking includes the two new material events effective February 27, 2019 under the Rule.

On the date of issue and delivery, the City shall execute and deliver a Continuing Disclosure Certificate, under which the City will covenant for the benefit of holders including beneficial holders, to provide electronically, or in a manner otherwise prescribed, certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule (the "Disclosure Undertaking"). The details and terms of the Disclosure Undertaking for the City are set forth in Appendix D. Such Disclosure Undertaking will be in substantially the form attached hereto.

A failure by the City to comply with the Disclosure Undertaking will not constitute an event of default on the Bonds. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

For the fiscal year ended December 31, 2016, the City failed to provide certain of its operating data required for its water system revenue bonds. Except to the extent that the preceding is deemed to be material, the City believes it has not failed to comply in the previous five years in all material respects with its prior undertakings under the Rule. The City has reviewed its continuing disclosure responsibilities, including the two new material events, to help ensure compliance in the future. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding)(See "FORM OF LEGAL OPINION" found in Appendix B).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

TAX EXEMPTION

Quarles & Brady LLP, Milwaukee, Wisconsin, Bond Counsel, will deliver a legal opinion with respect to the federal income tax exemption applicable to the interest on the Bonds under existing law substantially in the following form:

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

The interest on the Bonds is not exempt from present Wisconsin income or franchise taxes.

Prospective purchasers of the Bonds should be aware that ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers. Bond Counsel will not express any opinion as to such collateral tax consequences. Prospective purchasers of the Bonds should consult their tax advisors as to collateral federal income tax consequences.

From time to time legislation is proposed, and there are or may be legislative proposals pending in the Congress of the United States that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Bonds. It cannot be predicted whether, or in what form, any proposal that could alter one or more of the federal tax matters referred to above or adversely affect the market value of the Bonds may be enacted. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not includable in the gross income of the owner of such Discounted Bond for federal income tax purposes and such owner will not, subject to the caveats and provisions herein described, realize taxable capital gain upon payment of such Discounted Bond upon maturity.

Original issue discount is treated as compounding semiannually, at a rate determined by reference to the yield to maturity of each individual Discounted Bond, on days that are determined by reference to the maturity date of such Discounted Bond. The amount treated as original issue discount on a Discounted Bond for a particular semiannual accrual period is generally equal to (a) the product of (i) the yield to maturity for such Discounted Bond (determined by compounding at the close of each accrual period) and (ii) the amount that would have been the tax basis of such Discounted Bond at the beginning of the particular accrual period if held by the original purchaser; and less (b) the amount of any interest payable for such Discounted Bond during the accrual period. The tax basis is determined by adding to the initial public offering price on such Discounted Bond the sum of the amounts that have been treated as original issue discount for such purposes during all prior periods. If a Discounted Bond is sold or exchanged between semiannual compounding dates, original issue discount that would have been accrued for that semiannual compounding period for federal income tax purposes is to be apportioned in equal amounts among the days in such compounding period.

For federal income tax purposes, the amount of original issue discount that is treated as having accrued with respect to such Discounted Bond is added to the cost basis of the owner in determining gain or loss upon disposition of a Discounted Bond (including its sale, exchange, redemption, or payment at maturity). Amounts received upon disposition of a Discounted Bond that are attributable to accrued original issue discount will be treated as tax-exempt interest, rather than as taxable gain.

The accrual or receipt of original issue discount on the Discounted Bonds may result in certain collateral federal income tax consequences for the owners of such Discounted Bonds. The extent of these collateral tax consequences will depend upon the owner's particular tax status and other items of income or deduction.

The Code contains additional provisions relating to the accrual of original issue discount. Owners who purchase Discounted Bonds at a price other than the issue price or who purchase such Discounted Bonds in the secondary market should consult their own tax advisors with respect to the tax consequences of owning the Discounted Bonds. Under the applicable provisions governing the determination of state and local taxes, accrued interest on the Discounted Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment until a later year. Owners of Discounted Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Discounted Bonds.

BOND PREMIUM

To the extent that the initial offering price of certain of the Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

Any Premium Bond purchased in the initial offering at the issue price will have "amortizable bond premium" within the meaning of Section 171 of the Code. The amortizable bond premium of each Premium Bond is calculated on a daily basis from the issue date of such Premium Bond until its stated maturity date (or call date, if any) on the basis of a constant interest rate compounded at each accrual period (with straight line interpolation between the compounding dates). An owner of a Premium Bond that has amortizable bond premium is not allowed any deduction for the amortizable bond premium; rather the amortizable bond premium attributable to a taxable year is applied against (and operates to reduce) the amount of tax-exempt interest payments on the Premium Bonds. During each taxable year, such an owner must reduce his or her tax basis in such Premium Bond by the amount of the amortizable

bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (including the sale, exchange, redemption, or payment at maturity) of such Premium Bond.

Owners of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to the tax consequences of owning such Premium Bonds. Owners of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

MUNICIPAL ADVISOR

Ehlers has served as municipal advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor cannot participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants. Ehlers is registered with the Securities and Exchange Commission and the MSRB as a municipal advisor.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation ("BTSC") and Ehlers Investment Partners, LLC ("EIP") are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin, Colorado, and Illinois to transact the business of a limited purpose trust company. BTSC provides paying agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. This includes escrow bidding agent services. Issuers, such as the City, have retained or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the City under an agreement separate from Ehlers.

INDEPENDENT AUDITORS

The basic financial statements of the City for the fiscal year ended December 31, 2021, have been audited by Baker Tilly US, LLP, Eau Claire, Wisconsin, independent auditors (the "Auditor"). The report of the Auditor, together with the basic financial statements, component units financial statements, and notes to the financial statements are attached hereto as "APPENDIX A – FINANCIAL STATEMENTS". The Auditor has not been engaged to perform and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. The Auditor also has not performed any procedures relating to this Official Statement.

RISK FACTORS

Following is a description of possible risks to holders of the Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here. Potential investors should review this Official Statement, including the appendices, in its entirety.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Water System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the water service currently provided, the revenues of the Water System will be affected proportionately.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

Tax Exemption: If the federal government taxes all or a portion of the interest on municipal bonds or notes or if the State government increases its tax on interest on bonds and notes, directly or indirectly, or if there is a change in federal or state tax policy, then the value of these Bonds may fall for purposes of resale. Noncompliance by the City with the covenants in the Bond Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Bonds in gross income of the recipient for United States income tax purposes, retroactive to the date of issuance.

Continuing Disclosure: A failure by the City to comply with the Disclosure Undertaking for continuing disclosure (see "CONTINUING DISCLOSURE") will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Rule and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Bonds to the accounts of the Beneficial Owners of the Bonds may be delayed due to the customary practices, standing instructions or for other unknown reasons by DTC participants or indirect participants. Since the notice of redemption or other notices to holders of these obligations will be delivered by the City to DTC only, there may be a delay or failure by DTC, DTC participants or indirect participants to notify the Beneficial Owners of the Bonds.

Depository Risk: Wisconsin Statutes direct the local treasurer to immediately deposit upon receipt thereof, the funds of the municipality in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State Investment Board. It is not uncommon for a municipality to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of municipal debt.

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions outside of the control of the City, including loss of major taxpayers or major employers, could affect the local economy and result in reduced tax collections and/or increased demands upon local government. Real or perceived threats to the financial stability of the City may have an adverse effect on the value of the Bonds in the secondary market.

Secondary Market for the Bonds: No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof. Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

Bankruptcy: The rights and remedies of the holders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws, or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The opinion of Bond Counsel to be delivered with respect to the Bonds will be similarly qualified. See "MUNICIPAL BANKRUPTCY" herein.

Cybersecurity: The City is dependent on electronic information technology systems to deliver services. These systems may contain sensitive information or support critical operational functions which may have value for unauthorized purposes. As a result, the electronic systems and networks may be targets of cyberattack. There can be no assurance that the City will not experience an information technology breach or attack with financial consequences that could have a material adverse impact.

Impact of the Spread of COVID-19: In late 2019, a novel strain of coronavirus (COVID-19) emerged in Wuhan, Hubei Province, China. COVID-19 has spread throughout the world, including to the United States, resulting in the World Health Organization proclaiming COVID-19 to be a pandemic and former President Trump declaring a national emergency. In response to the spread of COVID-19, the United States government, state governments, local governments and private industries have taken measures to limit social interactions in an effort to limit the spread of COVID-19. The effects of the spread of COVID-19 and the government and private responses to the spread continue to evolve. COVID-19 has caused significant disruptions to the global, national and State economy. The extent to which the coronavirus continues to impact the City and its financial condition will depend on future developments, which are uncertain and cannot be predicted by the City, including the duration of the outbreak and future measures taken to address the outbreak.

On March 12, 2020, Wisconsin Governor Tony Evers declared a public health emergency in the State in response to the growing threat of COVID-19. That declaration included direction to the state Department of Health Services to use any and all required resources to respond to and contain the outbreak. Governor Evers followed that up with a "safer at home" order (the "Order") on March 24, 2020, closing nonessential businesses, banning gatherings of any size and imposing strict travel restrictions through April 24, 2020. On April 16, 2020, the Order was extended from April 24, 2020 through May 26, 2020. On April 21, 2020, Republican legislators in the State filed a lawsuit challenging the legality of the Order. On May 13, 2020, the Wisconsin Supreme Court ruled that the State's Order is unlawful, invalid and unenforceable because the emergency rulemaking procedures under Section 227.24 of the Wisconsin Statutes and procedures established by the Wisconsin Legislature for rulemaking if criminal penalties were to follow were not followed in connection with the Order. The Supreme Court's decision does not invalidate any local health officials' orders or prevent future local health officials' orders related to the COVID-19 pandemic.

The Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") provides for federal payments from the Coronavirus Relief Fund to the State for the discrete purpose of covering expenses directly incurred as a result of COVID-19 between March 1 and December 30, 2020. On May 27, 2020, Governor Tony Evers announced a program titled, "Routes to Recovery: Local Government Aid Grants," which distributed \$190 million of the State's Coronavirus Relief Fund monies to all counties, cities, villages and towns across Wisconsin for unbudgeted eligible expenditures incurred due to COVID-19 between March 1 and November 17, 2020. The State allocated funds based on population with a guaranteed minimum allocation of \$5,000. The City's allocation was \$257,438. These funds were disbursed up to the amount of the allocation after eligible expenditures were reported through the State's cost tracker application. On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021, which provides local governments an additional \$130.2 billion through the Coronavirus Local Fiscal Recovery Fund. These funds can be used to mitigate increased expenditures, lost revenue and economic hardship related to the COVID-19 pandemic, with half received in 2021 and half received in 2022. The City's allocation is \$1,677,523.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

Section 70.57, Wisconsin Statutes, requires the Department of Revenue to annually determine the equalized value (also referred to as full equalized value or aggregate full value) of all taxable property in each county and taxation district. The equalized value is an independent estimate of value used to equate individual local assessment policies so that property taxes are uniform throughout the various subdivisions in the State. Equalized value is calculated based on the history of comparable sales and information about value changes or taxing status provided by the local assessor. A comparison of the State-determined equalized value and the local assessed value, expressed as a percentage, is known as the assessment ratio or level of assessment. The Department of Revenue notifies each county and taxing jurisdiction of its equalized value on August 15; school districts are notified on October 1. The equalized value of each county is the sum of the valuations of all cities, villages, and towns within its boundaries. Taxing jurisdictions lying in more than one municipality, such as counties, school districts, or special taxing districts, use the equalized value of the underlying units in calculating and levying their respective levies. Equalized values are also used to apportion state aids and calculate municipal general obligation debt limits.

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Each taxing district must assess property at full value at least once in every five-year period. The State requires that the assessed values must be within 10% of State equalized values at least once every four years. The local assessor values property as of January 1 each year and submits those values to each municipality by the second Monday in June. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by the second Monday in June.

CURRENT PROPERTY VALUATIONS

	Pierce County	St. Croix County	Total
2022 Equalized Value	\$926,993,800	\$567,621,600	\$1,494,615,400
2022 Equalized Value Reduced by Tax Increment Valuation	\$888,278,500	\$479,339,000	\$1,367,617,500
2021 Assessed Value ¹	\$828,705,246	\$492,934,600	\$1,321,639,846

2022 EQUALIZED VALUE BY CLASSIFICATION

	2022 Equalized Value ²	Percent of Total Equalized Value
Residential	\$ 1,110,351,700	74.290%
Commercial	318,364,200	21.301%
Manufacturing	41,778,300	2.795%
Agricultural	8,600	0.001%
Undeveloped	25,700	0.002%
Ag Forest	81,000	0.005%
Personal Property	24,005,900	1.606%
Total	<u><u>\$ 1,494,615,400</u></u>	<u><u>100.000%</u></u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value ²	Percent Increase/Decrease in Equalized Value
2018	\$926,399,800	\$1,050,124,600	8.77%
2019	948,865,000	1,084,357,900	3.26%
2020	967,211,200	1,252,128,800	15.47%
2021	1,321,639,846	1,315,911,000	5.09%
2022	N/A ¹	1,494,615,400	13.58%

Source: Wisconsin Department of Revenue, Bureau of Equalization and Local Government Services Bureau.

¹2022 assessed values are not yet available.

²Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value ¹	Percent of City's Total Equalized Value
Winfield Solutions	Ag Retailer	\$12,339,166	0.94%
The Depot at River Street LLC	Apartment	7,482,141	0.57%
Anchor Paper Company	Paper	6,642,545	0.50%
TW Equities	Office/ Warehouse	6,088,469	0.46%
River Falls RCAC LLC	Senior Care	5,954,044	0.45%
Erickson's Diversified Corp	Retail Mall/ Grocery Store	5,168,872	0.39%
WISOTA LLC	Apartment	4,816,892	0.37%
IGO Legacy Hotel Group	Hotel/ Restaurant	4,776,734	0.36%
WISOTA LLC	Apartment	4,457,257	0.34%
City Station LLC	Apartment	3,591,471	0.27%
Total		\$61,317,591	4.66%
City's Total 2021 Equalized Value ²		\$1,315,911,000	

Source: The City.

¹Calculated by dividing the 2021 Assessed Values by the 2021 Aggregate Ratio of assessment for the City. 2022 information is not yet available.

²Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the 2022A Note, 2022B Note and the 2022C Bonds, as defined herein)*	<u>\$24,568,887</u>
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Revenue Debt

Total revenue debt secured by electric revenues (see schedules following)	<u>\$2,010,834</u>
Total revenue debt secured by sewer revenues (see schedules following)	<u>\$4,166,585</u>
Total revenue debt secured by water revenues (includes the Bonds)(see schedules on page 5)*	<u>\$5,995,000</u>

*Preliminary, subject to change.

¹Outstanding debt is as of the dated date of the Bonds and excludes the obligations to be refunded by the Bonds.

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/18/2022)

Taxable Refunding Bonds Series 2012A			Refunding Bonds Series 2012B			Corporate Purpose Bonds Series 2014A			State Trust Fund Loan		
Dated	Amount	Maturity	Dated	Amount	Maturity	Dated	Amount	Maturity	Dated	Amount	Maturity
03/22/2012	\$4,560,000	03/01	09/20/2012	\$3,765,000	05/01	08/12/2014	\$5,425,000	12/01	07/01/2015	\$1,660,000	03/15
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2022	0	0	340,000	3,400	410,000	62,369	0	0	0	0	0
2023	135,000	25,974	340,000	3,400	225,000	108,338	75,872	42,133	32,291	3,252	3,208
2024	140,000	21,950			230,000	99,338	78,609	39,395	33,335	2,028	1,119
2025	145,000	17,603			240,000	92,438	81,665	36,340	34,424		
2026	150,000	12,955			245,000	85,238	84,727	33,277			
2027	155,000	7,998			255,000	77,888	87,904	30,100			
2028	160,000	2,720			260,000	70,238	91,127	26,977			
2029					270,000	62,438	94,618	23,386			
2030					275,000	54,338	98,166	19,838			
2031					290,000	45,400	101,848	16,157			
2032					300,000	35,250	105,633	12,371			
2033					310,000	24,000	109,628	8,376			
2034					330,000	6,188	113,739	4,265			
2035											
2036											
2037											
2038											
2039											
2040											
2041											
2042											
	885,000	89,199	340,000	6,800	3,640,000	823,456	1,123,537	292,515	100,050	6,579	

-Continued on next page

**City of River Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/18/2022)**

Promissory Bank Note			Refunding Bonds Series 2016B			Park Bonds Series 2018A			Promissory Note			Promissory Note			
Dated	Amount	Maturity	04/13/2016	\$4,060,000	09/01	07/02/2018	\$3,460,000	04/01	12/14/2018	\$516,000	06/14 & 12/14	05/06 & 11/06	11/06/2019	\$520,000	05/06 & 11/06
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal
2022	0	0	0	0	210,000	78,798	51,600	2,620	31,000	6,037	51,800	2,767			
2023	57,500	4,712	355,000	62,850	215,000	72,423	62,000	2,611	62,000	10,774	103,600	3,837			
2024	57,500	3,008	365,000	52,200	220,000	65,898	62,000		62,000	9,204	103,600	1,648			
2025	57,500	1,284	375,000	41,250	230,000	59,148	62,000		62,000	7,531					
2026			385,000	33,750	235,000	52,173	62,000		62,000	5,934					
2027			390,000	26,050	245,000	44,973	62,000		62,000	4,388					
2028			400,000	18,250	250,000	37,548	62,000		62,000	2,800					
2029			410,000	5,125	260,000	29,898	62,000		62,000	1,194					
2030					265,000	21,890									
2031					275,000	13,451									
2032					285,000	4,550									
2033															
2034															
2035															
2036															
2037															
2038															
2039															
2040															
2041															
2042															
	172,500	9,004	2,680,000	239,475	2,690,000	480,756	154,800	5,231	465,000	47,961	259,000	259,000	8,252		

--Continued on next page

**City of River Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
As of 10/18/2022)**

* Preliminary, subject to change.

**City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Electric Revenues
(As of 10/18/2022)**

Electric System Revenue Bonds Series 2018B			WPPI Loan			Calendar Year Ending	Principal Outstanding	% Paid
Dated Amount	07/02/2018 \$2,500,000	Maturity 04/01	Principal	Interest	Total Principal	Total Interest	Total P & I	
2022	0	0	12,500	0	12,500	0	12,500	.62% 2022
2023	245,000	48,550	50,000	0	295,000	48,550	343,550	1,703,334 2023
2024	255,000	38,550	50,000	0	305,000	38,550	343,550	1,398,334 2024
2025	265,000	29,475	50,000	0	315,000	29,475	344,475	1,083,334 2025
2026	275,000	21,375	50,000	0	325,000	21,375	346,375	758,333 2026
2027	285,000	12,975	50,000	0	335,000	12,975	347,975	423,333 2027
2028	290,000	4,350	50,000	0	340,000	4,350	344,350	83,333 2028
2029	50,000	0	50,000	0	50,000	0	50,000	98,34% 2029
2030	1,615,000	155,275	33,333	0	33,333	0	33,333	100.00% 2030
	395,834	0	2,010,834	0	155,275	0	2,166,109	

**City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewer Revenues
(As of 10/18/2022)**

DEBT LIMIT

The constitutional and statutory general obligation debt limit for Wisconsin municipalities, including towns, cities, villages, and counties (Article XI, Section 3 of the Wisconsin Constitution and Section 67.03, Wisconsin Statutes) is 5% of the current equalized value.

Equalized Value	\$1,494,615,400
Multiply by 5%	0.05
Statutory Debt Limit ¹	<u>\$74,730,770</u>
Less: General Obligation Debt*	(24,568,887)
Unused Debt Limit*	<u><u>\$50,161,883</u></u>

*Preliminary, subject to change.

OVERLAPPING DEBT²

Taxing District	2022 Equalized Value ³	% In City	Total G.O. Debt ⁴	City's Proportionate Share
Pierce County	\$4,748,925,700	19.5201%	\$19,195,000	\$3,746,883
St. Croix County	14,552,607,100	3.9005%	130,676,000	5,097,017
River Falls School District	2,698,167,997 ⁵	48.7705%	54,170,000	26,418,980
Chippewa Valley Technical College District	31,188,459,239 ⁵	4.2192%	76,265,000	<u>3,217,773</u>
City's Share of Total Overlapping Debt				<u><u>\$38,480,653</u></u>

¹The City has adopted a Debt Management Policy, which provides that it is the City's goal to maintain a ratio of not more than 50 percent of the legal debt limit.

²Overlapping debt is as of the dated date of the Bonds. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

³Includes tax increment valuation.

⁴Outstanding debt based on information obtained on EMMA and the Municipal Advisor's records.

⁵2021 equalized values. 2022 equalized values are expected to be certified in October 2022.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,494,615,400	Debt/ Per Capita 16,515 ¹
Total General Obligation Debt*	\$24,568,887	1.64%	\$1,487.67
City's Share of Total Overlapping Debt	<u>38,480,653</u>	<u>2.57%</u>	<u>\$2,330.04</u>
Total*	\$63,049,540	4.22%	\$3,817.71

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt. Due to an administrative miscommunication, the City did not timely make principal and interest payments due September 1, 2018 on certain outstanding obligations. The payments were wired to the paying agent the day after the due date. The delay did not reflect any financial difficulties of the City.

FUTURE FINANCING

Concurrently with the Bonds, the City expects to issue a \$750,000* Taxable General Obligation Promissory Note, Series 2022A (the “2022A Note”), a \$749,000* Taxable General Obligation Promissory Note, Series 2022B (the “2022B Note”), and \$5,155,000* General Obligation Sewerage Bonds, Series 2022C (the 2022C Bonds”). The City may issue general obligation debt and utility revenue debt in 2023 for capital projects, but the City has not yet determined whether to proceed and the amount and timing of any such borrowing is not yet known. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹Preliminary estimated 2022 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Pierce County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2017/18	\$4,103,042	100%	\$6.76
2018/19	4,333,997	100%	6.64
2019/20	4,506,777	100%	6.75
2020/21	4,625,182	100%	6.00
2021/22	4,665,222	In Process	5.84

St. Croix County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2017/18	\$2,118,958	100%	\$6.76
2018/19	2,216,003	100%	6.64
2019/20	2,353,458	100%	6.75
2020/21	2,370,818	100%	6.00
2021/22	2,469,778	In Process	5.84

Property tax statements are distributed to taxpayers by the town, village, and city treasurers in December of the levy year. Current state law requires counties to pay 100% of the real property taxes levied to cities, villages, towns, school districts and other taxing entities on or about August 20 of the collection year.

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

Full value rates for property taxes expressed in dollars per \$1,000 of equalized value (excluding tax increment valuation) that have been collected in recent years have been as follows:

Pierce County

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$9.96	\$6.00	\$6.76	\$22.72
2018/19	9.83	5.76	6.64	22.23
2019/20	9.86	5.52	6.75	22.13
2020/21	9.20	5.18	6.00	20.38
2021/22	8.68	4.88	5.84	19.40

St. Croix County

Year Levied/ Year Collected	Schools¹	County	Local	Total
2017/18	\$9.96	\$3.57	\$6.76	\$20.29
2018/19	9.83	3.51	6.64	19.98
2019/20	9.86	3.40	6.75	20.01
2020/21	9.20	3.18	6.00	18.38
2021/22	8.68	3.02	5.84	17.54

Source: Property Tax Rates were extracted from Statement of Taxes prepared by the Wisconsin Department of Revenue, Division of State and Local Finance.

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of either the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed between the previous year and the current or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. In 2018, and in each year thereafter, the base amount is the actual levy for the immediately preceding year plus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes (an amount equal to the property taxes formerly levied on certain items of personal property), and the levy limit is the base amount multiplied by the valuation factor, minus the amount of the payment from the State under Section 79.096 of the Wisconsin Statutes. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and

¹The Schools tax rate reflects the composite rate of all local school districts and technical college district.

by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

Beginning with levies imposed in 2015, if a political subdivision does not make an adjustment in its levy as described in the above paragraph in the current year, the political subdivision may increase its levy by the aggregate amount of the differences between the political subdivision's valuation factor in the previous year and the actual percent increase in a political subdivision's levy attributable to the political subdivision's valuation factor in the previous year, for the five years before the current year, less any amount of such aggregate amount already claimed as an adjustment in any of the previous five years. The calculation of the aggregate amount available for such adjustment may not include any year before 2014, and the maximum adjustment allowed may not exceed 5%. The use of the adjustment described in this paragraph requires approval by a two-thirds vote of the political subdivision's governing body, and the adjustment may only be used if the political subdivision's level of outstanding general obligation debt in the current year is less than or equal to the political subdivision's level of outstanding general obligation debt in the previous year.

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other adjustments to and exclusions from the tax levy limit. Among the exclusions, Section 66.0602(3)(e)5. of the Wisconsin Statutes provides that the levy limit does not apply to "the amount that a political subdivision levies in that year to make up any revenue shortfall for the debt service on a revenue bond issued under Section 66.0621 by that political subdivision." Recent positions taken by Wisconsin Department of Revenue ("DOR") staff call into question the availability of this exception, including by limiting its availability depending on the circumstances surrounding the pertinent revenue shortfall. To date, such DOR positions have not been expressed formally in a declaratory ruling under Section 227.41(5)(a) of the Wisconsin Statutes, nor have they been the subject of any court challenge or resulting court ruling.

With respect to general obligation debt service, the following provisions are made:

- (a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.
- (b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.
- (c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

With respect to revenue bonds issued pursuant to Section 66.0621, Wis. Stats., such as the Bonds, any taxes levied to pay debt service on the Bonds because of a revenue shortfall may be excluded from the levy limits.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1885 and is governed by a Mayor and a seven-member Common Council. The Mayor does not vote except in the case of a tie. All Council Members are elected to two-year terms. The appointed City Administrator, Finance Director, Treasurer and City Clerk are responsible for administrative details and financial records.

EMPLOYEES; PENSIONS

The City employs a staff of 114 full-time, five part-time, and 28 seasonal employees. All eligible employees in the City are covered under the Wisconsin Retirement System ("WRS") established under Chapter 40 of the Wisconsin Statutes ("Chapter 40"). The WRS is a cost-sharing multiple-employer defined benefit pension plan. The Department of Employee Trust Funds ("ETF") administers the WRS. Required contributions to the WRS are determined by the ETF Board pursuant to an annual actuarial valuation in accordance with Chapter 40 and the ETF's funding policies. The ETF Board has stated that its funding policy is to (i) ensure funds are adequate to pay benefits; (ii) maintain stable and predictable contribution rates for employers and employees; and (iii) maintain inter-generational equity to ensure the cost of the benefits is paid for by the generation that receives the benefits.

City employees are generally required to contribute half of the actuarially determined contributions, and the City generally may not pay the employees' required contribution. During the fiscal year ended December 31, 2019 ("Fiscal Year 2019"), the fiscal year ended December 31, 2020 ("Fiscal Year 2020") and the fiscal year ended December 31, 2021 ("Fiscal Year 2021"), the City's portion of contributions to WRS (not including any employee contributions) totaled \$630,482, \$680,059 and \$614,669, respectively.

The City implemented Governmental Accounting Standards Board Statement No. 68 ("GASB 68") for the fiscal year ended December 31, 2015.

GASB 68 requires calculation of a net pension liability for the pension plan. The net pension liability is calculated as the difference between the pension plan's total pension liability and the pension plan's fiduciary net position. The pension plan's total pension liability is the present value of the amounts needed to pay pension benefits earned by each participant in the pension plan based on the service provided as of the date of the actuarial valuation. In other words, it is a measure of the present value of benefits owed as of a particular date based on what has been earned only up to that date, without taking into account any benefits earned after that date. The pension plan's fiduciary net position is the market value of plan assets formally set aside in a trust and restricted to paying pension plan benefits. If the pension plan's total pension liability exceeds the pension plan's fiduciary net position, then a net pension liability results. If the pension plan's fiduciary net position exceeds the pension plan's total pension liability, then a net pension asset results.

As of December 31, 2020, the total pension liability of the WRS was calculated as \$118.72 billion and the fiduciary net position of the WRS was calculated as \$124.97 billion, resulting in a net pension asset of \$6.24 billion.

Under GASB 68, each participating employer in a cost-sharing pension plan must report the employer's proportionate share of the net pension liability or net pension asset of the pension plan. Accordingly, for Fiscal Year 2021, the City reported an asset of \$3,736,125 for its proportionate share of the net pension asset of the WRS. The net pension asset was measured as of December 31, 2020 based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. The City's proportion was 0.05984370% of the aggregate WRS net pension asset as of December 31, 2020.

The calculation of the total pension asset and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. Such changes may have a significant impact on the calculation of net pension asset of the WRS, which may also cause the ETF Board to change the contribution requirements for employers and employees. For more detailed information regarding the WRS and such actuarial assumptions, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32, which altered the collective bargaining rights of public employees in Wisconsin.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees, other than public safety and transit employees, with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing total base wages beyond any increase in the consumer price index since 180 days before the expiration of the previous collective bargaining agreement (unless City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

Under the changes to MERA, impasse resolution procedures were removed from the law for municipal employees of the type employed by the City, including binding interest arbitration. Strikes by any municipal employee or labor organization are expressly prohibited. As a practical matter, it is anticipated that strikes will be rare. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is the base wage rates, all bargaining over items such as just cause, benefits, and terms of conditions of employment are prohibited and cannot be included in a collective bargaining agreement. Impasse resolution for public safety employees and transit employees is subject to final and binding arbitration procedures, which do not include a right to strike. Interest arbitration is available for transit employees if certain conditions are met.

The following bargaining unit represents employees of the City:

Bargaining Unit	Expiration Date of Current Contract
City of River Falls Professional Police Association	December 31, 2025

OTHER POST EMPLOYMENT BENEFITS

The City provides "other post-employment benefits" ("OPEB") (i.e., post-employment benefits, other than pension benefits, owed to its employees and former employees) to employees who have terminated their employment with the City and have satisfied specified eligibility standards through a single-employer plan. Eligible retirees may remain on the City's group health plan but are responsible for payment of the full premiums. Membership of the plan consisted of 4 retirees receiving benefits and 43 active eligible plan members as of December 31, 2021, the date of the latest audit.

OPEB calculations are required to be updated every two years and be prepared in accordance with Statement No. 75 of the Governmental Accounting Standards Board ("GASB 75"). The City had an actuarial study for the plan prepared in accordance with GASB 75 by Nyhart, in April 2022 with an actuarial valuation date of December 31, 2021.

For Fiscal Year 2021, benefit payments for the plan totaled \$58,832. The City's current funding practice is to make annual contributions to the plan in amounts at least equal to the benefits paid to retirees in a particular year on a "pay-as-you-go" basis.

Under GASB 75, a net OPEB liability (or asset) is calculated as the difference between the plan's total OPEB liability and the plan's fiduciary net position, which terms have similar meanings as under GASB 68 for pension plans.

As of December 31, 2021, the plan's total OPEB liability was \$855,552 and the plan fiduciary net position was \$0, resulting in a net OPEB liability of \$855,552.

The calculation of the total OPEB liability and fiduciary net position are subject to a number of actuarial assumptions, which may change in future actuarial valuations. For more detailed information regarding such actuarial assumptions, see Note 4 in "APPENDIX A - FINANCIAL STATEMENTS" attached hereto.

LITIGATION

There is no litigation threatened or pending questioning the organization or boundaries of the City or the right of any of its officers to their respective offices or in any manner questioning their rights and power to execute and deliver the Bonds or otherwise questioning the validity of the Bonds.

MUNICIPAL BANKRUPTCY

Municipalities are prohibited from filing for bankruptcy under Chapter 11 (reorganization) or Chapter 7 (liquidation) of the U.S. Bankruptcy Code (11 U.S.C. §§ 101-1532) (the "Bankruptcy Code"). Instead, the Bankruptcy Code permits municipalities to file a petition under Chapter 9 of the Bankruptcy Code, but only if certain requirements are met. These requirements include that the municipality must be "specifically authorized" under State law to file for relief under Chapter 9. For these purposes, "State law" may include, without limitation, statutes of general applicability enacted by the State legislature, special legislation applicable to a particular municipality, and/or executive orders issued by an appropriate officer of the State's executive branch.

As of the date hereof, Wisconsin law contains no express authority for municipalities to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code.

Nevertheless, there can be no assurance (a) that State law will not change in the future, while the Bonds are outstanding, in a way that would allow the City to file for bankruptcy relief under Chapter 9 of the Bankruptcy Code; or (b) even absent such a change in State law, that an executive order or other executive action could not effectively authorize the City to file for relief under Chapter 9. If, in the future, the City were to file a bankruptcy case under Chapter 9, the relevant bankruptcy court would need to consider whether the City could properly do so, which would involve questions regarding State law authority as well as other questions such as whether the City is a municipality for bankruptcy purposes. If the relevant bankruptcy court concluded that the City could properly file a bankruptcy case, and that determination was not reversed, vacated, or otherwise substantially altered on appeal, then the rights of holders of the Bonds could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Bonds, and there could ultimately be no assurance that holders of the Bonds would be paid in full or in part on the Bonds. Further, under such circumstances, there could be no assurance that the Bonds would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Bonds could be viewed as having no priority (a) over claims of other creditors of the City; (b) to any particular assets of the City, or (c) to revenues otherwise designated for payment to holders of the Bonds.

Moreover, if the City were determined not to be a "municipality" for the purposes of the Bankruptcy Code, no representations can be made regarding whether it would still be eligible for voluntary or involuntary relief under Chapters of the Bankruptcy Code other than Chapter 9 or under similar federal or state law or equitable proceeding regarding insolvency or providing for protection from creditors. In any such case, there can be no assurance that the consequences described above for the holders of the Bonds would not occur.

FUNDS ON HAND (as of June 30, 2022)

Fund	Total Cash and Investments
General	\$5,930,958
Special Revenue	7,791,961
Debt Service	542,798
Capital Projects	2,600,758
Enterprise Funds	8,608,311
Internal Service Funds	317,845
Total Funds on Hand	<u><u>\$25,792,631</u></u>

ENTERPRISE FUNDS

Revenues available for debt service for the City's enterprise funds have been as follows as of December 31 each year:

	2019 Audited	2020 Audited	2021 Audited
Electric			
Total Operating Revenues	\$ 13,496,541	\$ 13,363,310	\$ 15,172,454
Less: Operating Expenses	(12,721,855)	(12,848,990)	(13,747,215)
Operating Income	<u>\$ 774,686</u>	<u>\$ 514,320</u>	<u>\$ 1,425,239</u>
Plus: Depreciation	1,054,918	1,338,170	1,146,752
Interest Income	127,662	36,936	14,458
Revenues Available for Debt Service	<u><u>\$ 1,957,266</u></u>	<u><u>\$ 1,889,426</u></u>	<u><u>\$ 2,586,449</u></u>
Water			
Total Operating Revenues	\$ 1,761,278	\$ 1,849,545	\$ 1,979,414
Less: Operating Expenses	(1,409,667)	(1,287,686)	(1,390,332)
Operating Income	<u>\$ 351,611</u>	<u>\$ 561,859</u>	<u>\$ 589,082</u>
Plus: Depreciation	451,514	468,907	476,517
Interest Income	57,010	21,580	7,158
Revenues Available for Debt Service	<u><u>\$ 860,135</u></u>	<u><u>\$ 1,052,346</u></u>	<u><u>\$ 1,072,757</u></u>
Sewer			
Total Operating Revenues	\$ 3,216,767	\$ 3,205,285	\$ 3,385,367
Less: Operating Expenses	(2,555,626)	(2,684,436)	(2,531,745)
Operating Income	<u>\$ 661,141</u>	<u>\$ 520,849</u>	<u>\$ 853,622</u>
Plus: Depreciation	740,827	754,643	850,036
Interest Income	110,678	30,469	6,502
Revenues Available for Debt Service	<u><u>\$ 1,512,646</u></u>	<u><u>\$ 1,305,961</u></u>	<u><u>\$ 1,710,160</u></u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund. These summaries are not purported to be the complete audited financial statements of the City, and potential purchasers should read the included financial statements in their entirety for more complete information concerning the City. Copies of the complete audited financial statements are available upon request. See Appendix A for the City's 2021 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				2022 Adopted Budget ¹
	2018 Audited	2019 Audited	2020 Audited	2021 Audited	
Revenues					
Property taxes	\$ 4,200,495	\$ 4,394,080	\$ 4,588,077	\$ 4,839,321	\$ 4,924,432
Special assessments	364	14,883	222	120	0
Intergovernmental	3,378,321	3,569,452	3,868,006	3,729,140	3,683,839
Licenses and permits	367,839	477,097	437,619	387,431	257,200
Fines and forfeitures	190,385	180,685	112,145	153,917	205,000
Public charges for services	351,485	238,765	207,379	343,207	379,225
Intergovernmental charges for services	23,072	20,498	20,411	14,263	25,000
Investment income	258,813	367,911	337,198	65,221	175,752
Other miscellaneous revenues	153,581	146,490	83,503	84,205	57,088
Total Revenues	\$ 8,924,355	\$ 9,409,861	\$ 9,654,560	\$ 9,616,825	\$ 9,707,536
Expenditures					
Current:					
General government	\$ 1,883,391	\$ 1,850,372	\$ 1,877,295	\$ 1,942,827	\$ 2,073,808
Public safety	3,665,080	3,747,165	3,754,620	3,975,679	4,320,083
Public works	2,312,217	2,002,747	1,834,633	2,020,599	2,430,738
Health services	1,781	3,281	1,752	1,902	3,775
Leisure activities	745,688	778,937	771,740	912,881	936,679
Conservation and development	716,132	836,013	760,077	1,013,996	930,234
Debt service	153,635	169,652	279,887	296,272	291,245
Total Expenditures	\$ 9,477,924	\$ 9,388,167	\$ 9,280,004	\$ 10,164,156	\$ 10,986,562
Excess of revenues over (under) expenditures	\$ (553,569)	\$ 21,694	\$ 374,556	\$ (547,331)	\$ (1,279,026)
Other Financing Sources (Uses)					
Property sales	\$ 6,337	\$ 36,548	\$ 2,490	\$ 16,425	\$ 15,000
Transfers in	1,691,697	2,019,692	1,769,567	1,863,109	1,988,537
Transfers out	(723,997)	(1,591,418)	(644,846)	(721,196)	(724,511)
Total Other Financing Sources (Uses)	\$ 974,037	\$ 464,822	\$ 1,127,211	\$ 1,158,338	\$ 1,279,026
Net Changes in Fund Balances	\$ 420,468	\$ 486,516	\$ 1,501,767	\$ 611,007	\$ 0
General Fund Balance January 1	9,714,679	10,135,147	10,621,663	12,123,430	
General Fund Balance December 31	\$10,135,147	\$10,621,663	\$12,123,430	\$12,734,437	
DETAILS OF DECEMBER 31 FUND BALANCE					
Nonspendable	\$ 5,004,881	\$ 4,679,384	\$ 4,669,581	\$ 6,594,657	
Unassigned	5,130,266	5,942,279	7,453,849	6,139,780	
Total	\$10,135,147	\$10,621,663	\$12,123,430	\$12,734,437	

¹The 2022 budget was adopted on November 9, 2021.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 16,182 and a current estimated population of 16,515, comprises an area of 6.56 square miles is located approximately 30 miles east of the Minneapolis-St. Paul metropolitan area.

LARGER EMPLOYERS¹

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
University of Wisconsin - River Falls	Post-secondary education	850
River Falls Allina Health	Hospital	661
School District of River Falls	Elementary and secondary education	512
Rise Baking Company	Bakers	345
The City	Municipal government and services	147
Family Fresh Market	Grocery store	130
Turnkey Corrections	Financial advisory service	125
BioDiagnostics, Inc.	Genetic testing	120 ²
Trelleborg Group	Rubber and plastic component manufacturer	100 ³
Vibrant Health	Medical clinic	100

Source: *Data Axle Reference Solutions, written and telephone survey, Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹This does not purport to be a comprehensive list and is based on available data obtained through a survey of individual employers, as well as the sources identified above. Some employers do not respond to inquiries for employment data.

²Per Craig Nelson, they have a range of 80-120 employees.

³Norwest Equity Partners acquired Quadion Corporation in September 2012. Quadion does business under the name Minnesota Rubber & Plastics.

BUILDING PERMITS

	2018	2019	2020	2021	2022 ¹
<u>New Single Family Homes</u>					
No. of building permits	50	76	89	50	22
Valuation	\$9,629,000	\$14,737,815	\$188,863,123	\$12,291,920	\$5,388,500
<u>New Multiple Family Buildings</u>					
No. of building permits	1	9	10	4	1
Valuation	\$795,000	\$14,400,000	\$22,183,782	\$2,797,384	\$14,800,000
<u>New Commercial/Industrial</u>					
No. of building permits	7	2	0	1	0
Valuation	\$11,924,551	\$570,000	\$0	\$1,700,000	\$0
<u>All Building Permits</u> <i>(including additions and remodelings)</i>					
No. of building permits	237	311	320	324	193
Valuation	\$30,371,459	\$59,770,504	\$50,149,284	\$33,526,555	\$22,168,536

Source: The City.

¹As of July 31, 2022.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census	15,000
2020 U.S. Census	16,182
2022 Estimated Population	16,515
Percent of Change 2010 - 2020	7.88%

Income and Age Statistics

	The City	Pierce County	State of Wisconsin	United States
2020 per capita income	\$28,927	\$34,223	\$34,450	\$35,384
2020 median household income	\$62,786	\$73,873	\$63,293	\$64,994
2020 median family income	\$94,692	\$92,052	\$80,844	\$80,069
2020 median gross rent	\$896	\$880	\$872	\$1,096
2020 median value owner occupied units	\$222,300	\$224,900	\$189,200	\$229,800
2020 median age	26.8 yrs.	37.3 yrs.	39.6 yrs.	38.2 yrs.
			State of Wisconsin	United States
City % of 2020 per capita income		83.97%	81.75%	
City % of 2020 median family income		117.13%	118.26%	

Housing Statistics

	The City		
	2010	2020	Percent of Change
All Housing Units	5,449	5,931	8.85%

Source: 2010 and 2020 Census of Population and Housing, and 2020 American Community Survey (Based on a five-year estimate), U.S. Census Bureau (<https://data.census.gov/cedsci>).

EMPLOYMENT/UNEMPLOYMENT DATA

Rates are not compiled for individual communities with populations under 25,000.

Year	Average Employment		Average Unemployment	
	Pierce County	Pierce County	Pierce County	State of Wisconsin
2018	24,743	3.2%	3.0%	
2019	24,626	3.2%	3.2%	
2020	23,256	7.0%	6.3%	
2021 ¹	24,184	3.4%	3.8%	
2022, July ¹	24,864	3.1%	3.3%	

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

APPENDIX A

FINANCIAL STATEMENTS

Potential purchasers should read the included financial statements in their entirety for more complete information concerning the City's financial position. Such financial statements have been audited by the Auditor, to the extent and for the periods indicated thereon. The City has not requested or engaged the Auditor to perform, and the Auditor has not performed, any additional examination, assessments, procedures or evaluation with respect to such financial statements since the date thereof or with respect to this Official Statement, nor has the City requested that the Auditor consent to the use of such financial statements in this Official Statement. Although the inclusion of the financial statements in this Official Statement is not intended to demonstrate the fiscal condition of the City since the date of the financial statements, in connection with the issuance of the Bonds, the City represents that there have been no material adverse change in the financial position or results of operations of the City, nor has the City incurred any material liabilities, which would make such financial statements misleading.

Copies of the complete audited financial statements for the past three years and the current budget are available upon request from Ehlers.

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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 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 for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information for the year ended December 31, 2021, 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 for the year ended December 31, 2021, 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 for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of River Falls as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated July 19, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information. The supplementary information for the year ended December 31, 2020 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 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those 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 for the year ended December 31, 2020.

Baker Tilly US LLP

Eau Claire, Wisconsin

July 20, 2022

**CITY OF RIVER FALLS, WISCONSIN
MANAGEMENT'S DISCUSSION AND ANALYSIS
(UNAUDITED)**

The discussion and analysis of the City of River Falls' financial performance provides an overview of the City's financial activities for the fiscal year ended December 31, 2021. This narrative is intended to offer readers an objective, easy to read narrative of the accompanying financial statements. Readers are encouraged to consider the following information in conjunction with the accompanying financial statements and notes.

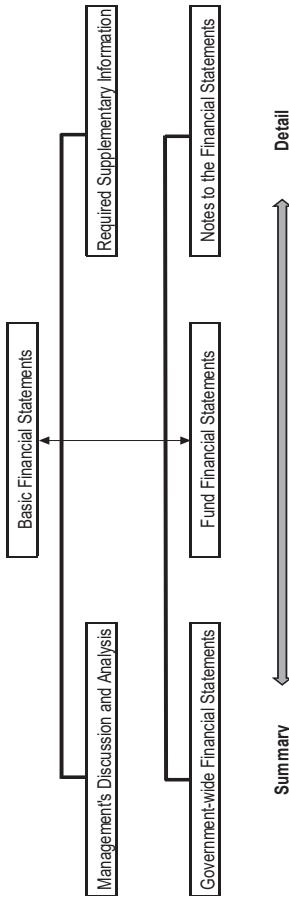
FINANCIAL HIGHLIGHTS

- The City of River Falls concluded the fiscal year with an accumulated total net position of \$128.8 million, an increase of \$4.4 million from the previous year. This increase is an aggregate result of \$3.4 million increased net position in governmental activities and \$1.0 million increased net position in business-type activities.
- At the close of 2021, the General Fund ending fund balance was \$12.7 million, an increase of \$0.6 million.
- The City issued no new debt during 2021.
- The City's enterprise funds closed the year with operating income of \$2,457,197, and a change in net position of \$1,356,942.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis serve as an introduction to the City's basic financial statements. The basic financial statements consist of three components: 1) Government-wide financial statements 2) Fund financial statements 3) Notes to the financial statements. This report also contains other 4) Required Supplementary Information. Figure A-1 shows how the required parts of the annual report are arranged and relate to one another.

Figure A-1
Components of the Financial Section



The basic financial statements include two kinds of statements.

- Government-wide financial statements that provide both long-term and current period information about the City's overall financial status.
- "Fund" specific financial statements that focus on individual components of City government, reporting the City's operations in more detail than the government-wide statements.

Government-Wide Financial Statements: The *government-wide financial statements* are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business.

- The *statement of net position* presents information on all the City's assets, deferred outflows/inflows of resources, and liabilities with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.
- The *statement of activities* presents information showing how the City'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 related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City include general government, public safety (police and fire services), public works (roads, traffic controls, and transit), leisure (parks, library and recreation), community development, and interest on long-term debt. The business-type activities of the City include electric, water, sewer, storm water, and ambulance services.

The government-wide financial statements include not only the City of River Falls itself (known as the *primary government*), but also legally distinct entities for which the City has financial responsibility and accountability, known as component units. The component unit of the City is the River Falls Business Improvement District. This entity is described in Note 3. Financial information for the *component unit* is reported separately from the financial information presented for the primary government itself. Separately issued financial statements are not prepared by the Business Improvement District.

The government-wide financial statements can be found on pages 1 – 3 of this report.

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. The funds of the City can be divided into two categories: governmental funds and proprietary 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.

The focus of the 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 is reporting three major governmental funds for 2021: General fund, Tax Increment District #10, and General Capital Projects fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for these major funds. Data from all other non-major governmental funds is combined into a single aggregated presentation and are referenced under a single column as "Non-major Governmental Funds". Individual fund data on each of these non-major governmental funds is provided in the form of *comparing statements* elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds as required by state statute. Budget comparisons have been provided as required supplementary information for the general fund and Tax Increment District # 10 to demonstrate compliance with the adopted budget.

The basic governmental funds financial statements can be found on pages 4 – 7 of this report.

- **Proprietary funds** are used when the City charges customers for the services it provides, whether to outside customers or to other units of the City. *Enterprise funds* are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, storm water, and ambulance service.

The proprietary funds financial statements can be found on pages 8 – 17 of this report.

- **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 for fiduciary funds is similar to that used for proprietary funds. The City of River Falls uses fiduciary funds to account for taxes collected for the benefit of overlapping tax jurisdictions.

The fiduciary financial statement can be found on pages 18 – 19.

Notes to the Financial Statements: The notes provide additional information that is essential to a full understanding of the information provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 20 – 64 of this report.

Other Information: In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing General Fund and Tax Increment District #10 budgetary comparison information and supplementary information, which includes additional information for non-major governmental funds. Required supplementary information can be found on pages 65 – 69 of this report; supplementary information can be found on pages 70 – 108 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

City of River Falls Summary of Net Position

	Governmental Activities		Business-type Activities		Total
	2021	2020	2021	2020	
Current and Other Assets	\$ 31,122,379	\$ 29,270,157	\$ 14,318,568	\$ 13,500,732	\$ 45,440,947
Capital Assets	66,338,300	66,189,039	64,365,235	64,820,329	131,601,535
Total Assets	<u>97,460,679</u>	<u>95,459,196</u>	<u>78,681,803</u>	<u>78,321,061</u>	<u>173,790,527</u>
Deferred Change on refunding	218,263	248,368	29,541	53,704	247,804
Deferred Pension and OPEB	4,768,103	3,566,728	1,538,925	1,099,060	6,307,028
Deferred Outflows of Resources	4,986,366	3,815,096	1,568,466	1,152,764	6,554,832
Current Liabilities	51,29,105	7,626,883	2,861,075	2,585,548	7,990,180
Noncurrent Liabilities	<u>20,076,576</u>	<u>20,547,853</u>	<u>7,978,063</u>	<u>9,121,786</u>	<u>28,654,639</u>
Total Liabilities	<u>25,895,681</u>	<u>28,174,736</u>	<u>10,839,138</u>	<u>11,707,334</u>	<u>39,882,070</u>
Deferred Unearned revenues	8,835,737	8,630,328	-	-	8,835,737
Deferred Pension and OPEB	6,196,834	4,325,889	2,086,091	1,443,78	8,282,925
Deferred Inflows of Resources	15,632,571	12,956,217	2,086,091	1,443,78	17,118,662
Net Investment in Capital Assets ¹	48,986,825	47,065,279	56,177,716	55,534,030	103,397,056
Restricted	8,356,053	6,437,455	3,199,578	2,655,981	11,555,631
Unrestricted ¹	4,353,915	4,640,605	7,947,746	8,133,302	13,783,026
Total Net Position	<u>\$ 61,508,793</u>	<u>\$ 58,141,339</u>	<u>\$ 67,325,040</u>	<u>\$ 66,323,313</u>	<u>\$ 128,735,713</u>

Unrestricted Net Position as a % of

Total Liabilities/Deferred Inflows

¹ See Note 1.D. 3 equity classifications for detailed information of 2021 & 2020 adjustments

Total net position increased by \$4.4 million to \$128.8 million at the close of fiscal year ending December 31, 2021. This increase is an aggregate result of \$3.4 million increased net position in governmental activities and \$1.0 million increased net position in business-type activities.

Net investment of the primary government in capital assets comprises \$103.4 million, or 80.3% of the primary government's total net position. Included in capital assets are land and easements, structures and improvements, infrastructure and equipment, less any related debt used to acquire those assets that are still outstanding.

Although the City's investment in its capital assets is reported net of related debt, it should be noted 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. The City uses these capital assets to provide services to citizens and is not available for future spending.

Unrestricted net position comprises \$13.8 million, or 10.7% of the City's net position. Unrestricted assets may be used to meet the City's daily operations without constraints established by debt covenants, enabling legislation, or other legal requirements. Future infrastructure improvements for business-type activities will be funded from a combination of debt and unrestricted assets.

The remaining balance of the City's net position represents resources that are subject to internal or external restrictions on how they may be used. The tables and narrative that follows, reflect the operations of governmental and business-type activities separately.

27%

26%

62%

Statement of Activities

The *Statement of Activities* provides a picture of how the various activities of the City are funded and indicates the changes in net position. The following table summarizes the City's governmental and business-type activities.

City of River Falls

Summary Statement of Activities

	Governmental Activities		Business-Type Activities		Total 2020
	2021	2020	2021	2020	
Revenues					
Program revenues:					
Charges for services	\$1,970,713	\$1,874,920	\$21,456,858	\$20,260,233	\$23,427,571
Operating grants and contributions	2,120,182	2,198,019		28,737	2,120,182
Capital grants and contributions	239,340	2,514,780	742,369	1,688,135	981,649
General revenues:					
Property taxes	8,602,918	8,249,537			8,602,918
Other taxes	235,189	166,055			235,189
Intergovernmental	2,382,232	2,752,737			2,382,232
Investment earnings	77,772	428,482	30,068	95,326	107,840
Special Item					
Miscellaneous	460,137		487,077	43,441	45,312
Total revenues	16,088,483	18,671,607	22,272,676	22,204,241	38,361,159
Expenses					
General government	2,473,975	2,322,490			2,473,975
Public safety	3,812,876	3,993,801			3,812,876
Public works	3,878,945	3,710,674			3,878,945
Health services	19,886	17,844			19,886
Leisure	2,235,832	2,145,064			2,235,832
Conservation and development	1,321,400	1,256,341			1,321,400
Interest and fiscal charges	636,950	912,650			636,950
Electric utility			14,025,540	13,128,265	14,025,540
Water utility			1,489,204	1,392,023	1,493,204
Sewer utility			2,746,450	2,741,943	2,746,450
Stormwater utility			783,717	512,949	783,717
Ambulance service			565,203	534,432	565,203
Total expenses	14,379,864	14,358,864	19,614,114	19,480,612	33,993,976
Change in net position before transfers	1,708,619	4,312,743	2,658,862	2,723,629	4,367,181
Transfers	1,656,835	1,820,302	(1,656,835)	(1,820,302)	7,036,372
Increase in net position	3,365,454	6,133,045	1,001,727	903,327	-
Net position January 1	\$ 58,143,320	\$ 52,010,294	\$ 66,323,313	\$ 65,519,986	7,036,372
Net position December 31	\$ 61,598,793	\$ 58,143,339	\$ 67,325,040	\$ 66,223,313	\$ 124,466,652

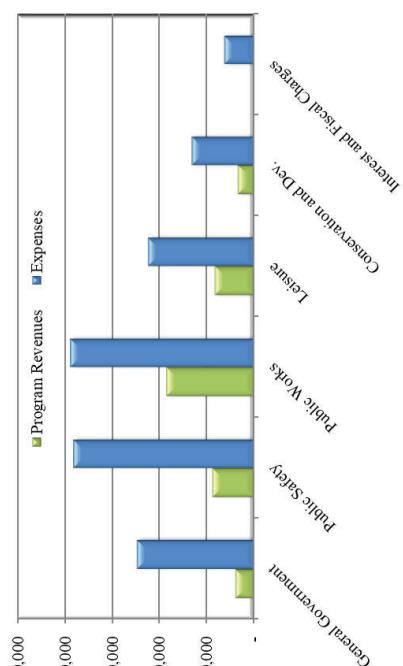
Governmental Activities:

At the end of 2021, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of \$102.3 million and total liabilities and deferred inflows of resources of \$40.8 million, resulting in a net position of \$61.5 million. The net position is allocated with \$48.8 million representing capital assets net of related debt, \$8.3 million held for restricted purposes, and \$4.4 million of unrestricted net position. (Pages 1 – 2)

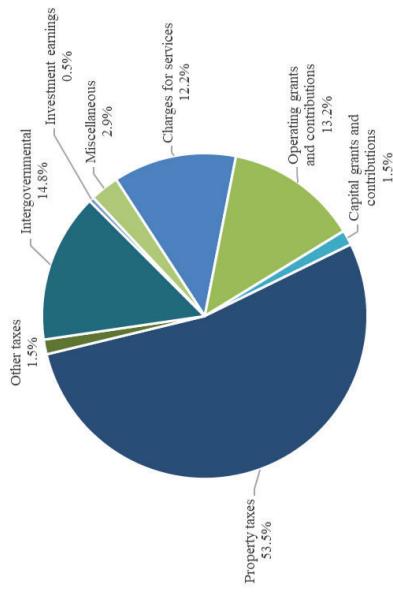
Revenues for the City's governmental activities, excluding transfers from other funds, totaled \$16.1 million, with property taxes encompassing 53.5% of the total. Intergovernmental revenues include \$2.4 million in state shared revenue and grants which account for 14.8% of annual revenues. Operating grants and capital grants and contributions totaled \$2.4 million which factors 14.7% of the total. Charges for services account for 12.3% of total revenues, which include solid waste, environmental fees, permits, licenses and miscellaneous fees.

Governmental activities expended \$14.38 million in 2021 compared to \$14.35 million in 2020. Public Safety and Public Works represent 53.4% of total expenses.

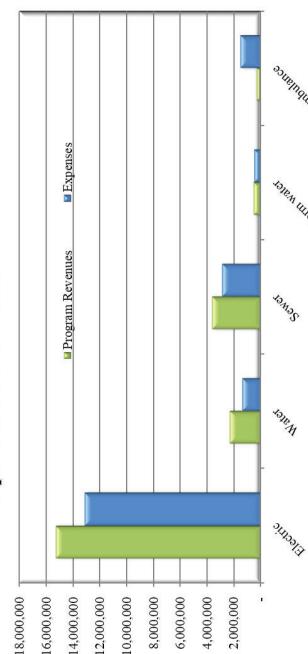
Governmental Activities Expenses and Program Revenues



Program and General Revenues by Source - Governmental Activities



Business-Type Activities Expenses and Revenues



Key elements of the business-type activities in 2021 are as follows:

Electric

Business-Type Activities:

Business-type activities include the operations of the Electric, Water, Sewer, Storm Water, and Ambulance. These funds combined, increased the City's net position by \$1.0 million. Due to the enterprise nature of these activities, 96.3% of total revenues are generated by charges for services. The Electric fund accounted for 70.7% of this total, followed by Sewer with 15.8% of the enterprise services revenue. In 2021, business-type activities recognized \$0.7 million in capital grants and contributions, primarily from construction contribution. The below graph outlines the revenues and expenditures by fund.

- The utility closed the year with net position of \$21,609,181.
 - Of this amount, \$17.1 million is net investment in capital assets.
 - Unrestricted net position was \$3.8 million.
 - Restricted net position was \$0.7 million.

Water

- The utility closed the year with net position of \$17,315,119.
 - Of this amount, \$13.2 million is net investment in capital assets.
 - Unrestricted net position was \$3.8 million.
 - Restricted net position was \$0.2 million.
- Operating revenues for the year were \$1,979,414; an increase of \$129,869 compared to 2020.

Sewer

- The utility closed the year with net position of \$22,896,849.
 - Of this amount, \$19.5 million is net investment in capital assets.
 - Unrestricted net position was \$1.3 million
 - Restricted net position was \$2.2 million.

Nonmajor Enterprise Funds

Storm Water

- The Storm Water fund's net position decreased \$227 thousand from the prior year to \$7.0 million.

- Operating revenues were \$582 thousand; a decrease of \$8 thousand from 2020.

- Operating expenditures were \$771 thousand; an increase of \$268 thousand from 2020.

Ambulance

- The City Council approved a resolution authorizing the transition of emergency medical services to the Allina Health System (Allina) early in 2020. The transition was completed on November 16th, 2020.
- The Ambulance fund's net position decreased by \$223 thousand from the prior year to \$695 thousand.

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

As noted earlier, the City of River Falls uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

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

As the City concluded the year, its governmental funds reported a combined fund balance of \$10.8 million; an increase of \$0.1 million from the prior year. The General fund ended the year with \$6.1 million in unassigned fund balance which is available to meet the City's current and future needs. An additional \$6.6 million is considered non-spendable in the General Fund. The non-spendable funds entail the following: 1) \$6.5 million advances to other funds and 2) prepaid expenses of \$56,126.

GENERAL FUND BUDGETARY HIGHLIGHTS

The 2021 budget was adopted at the function level of expenditures. General Fund revenues and other financing sources were \$11.50 million, exceeding budgeted by \$20,000.

Total expenditures and other financing uses were under budget by \$590,000. Budgetary to Actual comparisons are presented on page 65.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities on December 31, 2021, amounted to \$130.6 million (net of accumulated depreciation), a decrease of \$407,833 from 2020. The investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress.

In accordance with the implementation of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all its capital assets, including infrastructure. The City has elected to use the straight-line depreciation method of reporting capital assets.

Further details of the City's capital assets can be found on pages 38-43 in the notes to the financial statements.

City of River Falls

Statement of Net Position
December 31, 2021

Long-Term Debt

As of December 31, 2021, the City had \$19.5 million of general obligation bonds and promissory notes outstanding. Total general obligation debt of \$665 thousand, or 3.5%, will be paid from business-type activity revenues. Amounts due within one year is \$2.1 million.

The City issued no new debt in 2021.

Under current Wisconsin Statutes, the City's general obligation indebtedness may not exceed five percent (5%) of the equalized value of taxable property in the City. As of December 31, 2021, the City's total amount applicable to debt is 29.6% of the total limit of \$65,795,550. The net general obligation debt per capita equaled \$1,210 at year-end based on a year-end population of 16,100.

Further details of the City's long-term debt activity can be found in the notes to the financial statements within Note 3- Long Term Obligations starting on page 46.

ECONOMIC FACTORS AND THE 2020-2021 BUDGET AND RATES

The 2021-2022 budget was approved by the City Council in November 2020. The 2022 property tax levy is \$7,135,000. The biennial budget for the General Fund does not incorporate the use of fund balance for operating expenditures. It is anticipated that budgeted revenues and stable expenses in operations will result in a secure year-end financial condition.

The 2021 final assessed values of \$1,305,409,846 reflects the results of a full community revaluation of assessed property values. The ratio of assessed values to equalized (market) was at 78% for 2020 and 100% for 2021.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City of River Falls, Finance Director, 222 Lewis Street, River Falls, WI 54022.

	Assets and Deferred Outflows of Resources		Component Unit	
	Governmental Activities	Primary Government-Business-Type Activities	Total	Business Improvement District
Assets				
Cash and investments	\$ 15,605,747	\$ 9,310,877	\$ 24,916,624	\$ 57,683
Receivables, net:				
Taxes	8,832,558	2,200,196	8,832,558	-
Accounts	534,282	-	2,734,478	-
Special assessments	53,733	-	53,733	42,000
Accrued interest	10,221	-	10,221	-
Loans	1,082,303	-	1,082,303	-
Other receivables	7,022	66,412	73,434	-
Inventories and prepaid items	73,388	700,143	773,531	-
Due from other governments	4,443	-	4,443	-
Internal balances	2,146,350	(2,146,350)	-	-
Other assets	-	195,790	195,790	-
Restricted assets:				
Cash and investments	-	3,027,707	3,027,707	-
Net pension asset	963,793	-	3,736,125	-
Capital assets:				
Land	2,772,332	-	3,027,707	-
Construction in progress	16,332,978	365,000	16,697,978	-
Other capital assets, net of depreciation	43,470,462	62,491,470	1,941,625	-
Total assets	97,360,679	78,681,803	176,042,482	99,663
Deferred Outflows of Resources				
Deferred charge on refunding	218,263	29,541	247,804	-
Pension related amounts	4,604,436	1,506,944	6,110,380	-
OPEB related amounts	1,633,667	32,981	196,448	-
Total deferred outflows of resources	4,986,366	1,568,466	6,554,832	-
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	454,695	1,446,040	1,900,735	-
Accrued liabilities	142,232	51,878	194,110	-
Accrued interest	170,075	46,826	216,901	-
Deposits	107,698	78,328	186,026	-
Unearned revenues	4,254,405	-	4,254,405	-
Noncurrent liabilities:				
Due within one year	2,046,259	1,238,003	3,284,262	-
Due in more than one year	18,630,317	7,978,063	26,608,380	-
Total liabilities	25,805,681	10,839,138	36,644,819	-
Deferred Inflows of Resources				
Unearned revenues	8,835,737	-	8,835,737	-
Pension related amounts	6,121,130	2,070,836	8,191,966	-
OPEB related amounts	75,704	15,255	90,359	-
Total deferred inflows of resources	15,032,571	2,086,091	17,118,662	-

See notes to financial statements
1

City of River Falls
 Statement of Net Position
 December 31, 2021

Net Position	Component Unit		
	Primary Government	Business-Type Activities	Business Improvement District
	Governmental Activities	Total	
\$ 48,708,825	\$ 56,177,716	\$ 103,495,176	\$ -
Net investment in capital assets			
Restricted for:			
Debt service	-	804,109	804,109
Capital asset repair and replacement	-	996,091	996,091
Impact fee projects	562,348	435,585	997,933
Library trust	155,149	-	155,149
Housing	885,794	-	885,794
Parking improvements	64,068	-	64,068
Refuse/solid waste	39,765	-	39,765
Environmental fee	3,262,824	-	3,262,824
Library	251,651	-	251,651
Shared ride taxi	12,449	-	12,449
Tax increment districts	257,522	-	257,522
Pension	2,772,332	-	2,772,332
Loan programs	92,151	-	92,151
Unrestricted	4,353,915	7,947,746	13,783,026
			99,683
\$ 61,508,793	\$ 67,325,040	\$ 128,833,853	\$ 99,683
Total net position			

Functions/Programs	Program Revenue			Component Unit
	Primary Government	Business-type Activities	Total	
	Governmental Activities	Capital Grants and Contributions		
Primary Government				Business Improvement District
General government:				
Public safety	\$ 2,470,975	\$ 408,125	\$ 749,251	\$ (2,087,840)
Public works	3,879,876	983,381	885,454	\$ (2,927,020)
Human services	136,226	-	-	\$ (136,226)
Leisure services	2,269,852	323,313	505,477	\$ (1,467,025)
Conservation and development	1,321,400	121,538	-	\$ (1,442,938)
Interest and local charges	63,692	-	-	\$ (63,692)
Total governmental activities	14,373,864	1,970,213	2,203,182	\$ (10,619,620)
Business-type activities:				
Electric utility	14,025,540	15,172,454	-	\$ (276,042)
Water utility	1,460,454	30,446	-	\$ (30,446)
Sewer utility	2,744,459	3,385,467	30,336	\$ (90,253)
Stormwater	783,717	582,301	-	\$ (201,416)
Ambulance	555,203	317,322	-	\$ (277,881)
Total business-type activities	19,811,114	21,456,458	742,329	
Total primary government	\$ 33,995,978	\$ 24,477,771	\$ 96,159	
Component Unit				
Business improvement district	\$ 30,986	\$ 12,000	\$ -	
				11,604
General Revenues				
Taxes				
Project taxes levied for general purposes	6,657,215	-	-	\$ 6,657,215
Project taxes levied for specific purposes	1,610,430	-	-	\$ 1,610,430
Other taxes levied for TIF districts	1,615,183	-	-	\$ 1,615,183
Other taxes levied for other districts	235,989	-	-	\$ 235,989
Total governmental taxes	2,582,722	-	-	\$ 2,582,722
Miscellaneous	460,337	-	-	\$ 460,337
Total general revenues	11,259,548	-	\$ 23,550	\$ 11,235,758
Transfers				
Change in net position	3,385,454	-	-	\$ 3,385,454
Net Position, Beginning	58,443,520	-	\$ 68,723,513	\$ 124,066,652
Net Position, Ending	\$ 61,308,203	-	\$ 17,325,540	\$ 99,683

See notes to financial statements

City of River Falls

Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Tax Increment District #10	General Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash and investments Receivables:	\$ 5,834,425	\$ 137,753	\$ 2,064,719	\$ 7,246,872	\$ 15,283,769
Taxes	4,832,396	681,756	238,998	3,077,408	8,832,558
Accounts	260,056	-	31,465	248,029	539,550
Special assessments	46,099	-	7,634	-	53,733
Accrued interest	6,637	-	-	3,584	10,221
Loans	-	369,000	131,325	581,978	1,082,303
Prepaid items	56,126	-	-	4,910	61,036
Due from other funds	609,783	-	-	-	609,783
Due from other governments	4,306	-	-	137	4,443
Advances to other funds	6,538,531	-	500,000	1,500,000	8,538,531
Total assets	<u>\$ 18,190,359</u>	<u>\$ 1,188,509</u>	<u>\$ 2,974,141</u>	<u>\$ 12,662,918</u>	<u>\$ 35,015,927</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 229,711	\$ -	\$ 141,180	\$ 70,125	\$ 441,016
Accrued liabilities	124,471	-	-	9,942	134,413
Deposits	83,950	-	19,078	4,690	107,686
Unearned revenues	-	-	34,13,144	841,261	4,254,405
Due to other funds	-	-	-	585,591	585,591
Advances from other funds	-	3,422,711	-	5,115,820	8,538,531
Total liabilities	<u>48,112</u>	<u>3,422,711</u>	<u>3,573,402</u>	<u>6,627,429</u>	<u>14,061,654</u>
Deferred Inflows of Resources					
Unearned revenues	4,829,941	681,756	246,632	3,077,408	8,835,737
Unavailable revenues	187,889	369,000	135,575	584,365	1,276,809
Total deferred inflows of resources	<u>5,017,810</u>	<u>1,050,756</u>	<u>382,207</u>	<u>3,661,773</u>	<u>10,112,546</u>
Fund Balances (Deficit)					
Nonspendable	6,594,657	-	500,000	4,910	7,099,567
Restricted	-	-	-	5,077,017	5,077,017
Committed	-	-	-	1,030,005	1,030,005
Unassigned (deficit)	6,139,780	(3,284,958)	(1,481,468)	(3,738,216)	(2,364,862)
Total fund balances (deficit)	<u>12,744,437</u>	<u>(3,284,958)</u>	<u>(981,468)</u>	<u>2,373,716</u>	<u>10,841,727</u>
Total liabilities	<u>\$ 18,190,359</u>	<u>\$ 1,188,509</u>	<u>\$ 2,974,141</u>	<u>\$ 12,662,918</u>	<u>\$ 35,015,927</u>

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See notes to financial statements 4

See notes to financial statements 5

City of River Falls

Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
December 31, 2021

Total Fund Balances, Governmental Funds	\$ 10,841,727
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. See Note 3.	66,238,300 (105,670)
Less internal service fund included below	1,276,809
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.	2,772,332 (129,187)
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	4,604,436
Less internal service fund included below	163,667 (210,285)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(6,121,130) (75,704)
Deferred outflows, pension related amounts	305,710
Deferred outflows, OPEB related amounts	
Less internal service fund included below	
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	
Deferred inflows, pension related amounts	
Deferred inflows, OPEB related amounts	
Add internal service fund included below	
Governmental funds report the effect of losses on refunding, discounts, premiums and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities.	(575,894)
Internal service funds are reported in the statement of net position as governmental activities.	2,576,176
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	(18,827,982) (235,042)
Bonds and notes payable	(170,075)
Compensated absences	(107,331)
Accrued interest	(772,064)
Landfill postclosure care cost	
Other postemployment benefits	

City of River Falls

Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds
Year Ended December 31, 2021

City of River Falls

Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
Year Ended December 31, 2021

	General Fund	Tax Increment District #10	General Capital Projects	Nonmajor Governmental Funds	Total	\$ 112,275
Net Change in Fund Balances, Total Governmental Funds						
Revenues						
Taxes	\$ 4,839,321	\$ 448,464	\$ 117,388	\$ 3,432,934	\$ 8,838,107	
Special assessments	120	-	4,279	2,500	6,899	
Intergovernmental	3,729,140	-	-	640,082	4,369,222	
Licenses and permits	38,431	-	-	-	387,431	
Fines, forfeitures and penalties	153,917	-	-	-	153,917	
Public charges for services	343,207	-	-	1,178,595	1,521,802	
Intergovernmental charges for services	14,263	-	-	-	14,263	
Investment income	65,221	135	1,775	9,735	76,866	
Miscellaneous	84,205	86,073	72,222	437,186	679,686	
Total revenues	<u>9,616,825</u>	<u>534,672</u>	<u>195,664</u>	<u>5,701,032</u>	<u>16,048,193</u>	
Expenditures						
Current:						
General government	1,942,827	-	-	-	1,942,827	
Public safety	3,975,679	-	-	-	3,977,105	
Public works	2,020,599	-	-	-	3,164,339	
Health services	1,902	-	-	-	1,902	
Leisure activities	912,881	-	-	-	980,864	
Conservation and development						
Capital outlay	1,013,996	5,242	-	634,473	1,653,711	
Debt service:	-	66,633	703,951	710,003	1,480,587	
Principal retirement	251,1291	240,000	30,290	1,349,798	1,871,379	
Interest and fiscal charges	44,981	124,492	5,253	532,862	707,588	
Total expenditures	<u>10,184,156</u>	<u>436,367</u>	<u>739,494</u>	<u>5,353,166</u>	<u>16,693,183</u>	
Excess (deficiency) of revenues over expenditures	<u>(547,331)</u>	<u>93,905</u>	<u>(543,880)</u>	<u>347,866</u>	<u>(644,990)</u>	
Other Financing Sources (Uses)						
Transfers from other funds	1,863,109	(29,123)	(51,388)	281,017	2,144,126	
Transfers to other funds	(721,196)	(29,123)	(51,388)	(601,579)	(1,403,286)	
Property sales	16,425	-	-	-	16,425	
Total other financing sources (uses)	<u>1,158,338</u>	<u>(29,123)</u>	<u>(51,388)</u>	<u>(320,582)</u>	<u>757,265</u>	
Net change in fund balances	611,007	69,182	(595,218)	27,304	112,275	
Fund Balances (Deficit), Beginning	<u>12,123,430</u>	<u>(3,354,140)</u>	<u>(386,250)</u>	<u>2,346,412</u>	<u>10,729,452</u>	
Fund Balances (Deficit), Ending	<u>\$ 12,734,437</u>	<u>\$ (3,284,058)</u>	<u>\$ (981,468)</u>	<u>\$ 2,373,716</u>	<u>\$ 10,841,727</u>	

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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	1,480,587 (74,231)
Some items reported as capital outlays were not capitalized	
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide statements	18,075 (1,558,880)
Depreciation is reported in the government-wide financial statements	
Contributed capital assets are reported as revenues in the government-wide financial statements	236,250
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.	
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 governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,871,379
Principal repayment	
Interest on long-term debt in the statement of activities differs from the amount reported in the fund financial statements because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues regardless of when it is due.	40,015
Governmental funds report debt premiums, discounts and gains or losses on refunding in the year incurred. However, in the statement of net position, these are reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities. In 2021, \$30,105 of the deferred charge on refunding was amortized and \$60,728 of the premium was amortized.	30,623
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	(2,277)
Other postemployment benefits and OPEB related deferrals	(16,598)
Landfill postclosure costs	7,476
Net pension asset and pension related deferrals	707,225
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	
	426,425
	<u>\$ 3,365,454</u>

See notes to financial statements
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See notes to financial statements
7

City of River Falls
 Statement of Net Position
 Proprietary Funds
 December 31, 2021

	Business-Type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
Assets			
Current assets:			
Cash and investments	\$ 3,286,405	\$ 3,659,486	\$ 1,498,591
Receivables, net:			
Accounts	1,339,640	160,985	303,470
Other receivables	21,372	25,127	19,913
Inventories	686,550	-	
Prepaid items	7,718	2,020	3,294
Restricted assets:			
Redemption account			
	209,720	91,476	547,522
	<u>5,551,405</u>	<u>3,939,094</u>	<u>2,372,790</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Reserve account	259,810	174,237	313,266
Impact fees	-	-	435,585
Replacement account			
Net pension asset	516,321	177,560	996,091
Capital assets:			
Land	122,960	23,120	117,622
Construction in progress	16,485	178,683	1,247,247
Property and equipment	34,150,316	21,798,370	33,715,060
Less accumulated depreciation	(15,109,200)	(7,685,157)	(10,618,435)
Other assets:			
Other receivables	-	14,094	10,892
Preliminary survey and investigation	-	153,604	-
Nonutility property	-	-	17,200
Total noncurrent assets	19,956,692	14,834,511	26,445,271
Total assets	<u>25,508,097</u>	<u>18,773,605</u>	<u>28,818,061</u>
Deferred Outflows of Resources			
Deferred charge on refunding	-	-	29,541
Pension related amounts	797,975	284,233	336,902
OPEB related amounts	26,398	2,068	4,515
Total deferred outflows of resources	<u>824,373</u>	<u>286,301</u>	<u>370,958</u>

City of River Falls

Statement of Net Position
Proprietary Funds
December 31, 2021

Business-Type Activities - Enterprise Funds

	Electric Utility	Water Utility	Sewer Utility	
Liabilities				
Current liabilities:				
Accounts payable	\$ 997,049	\$ 22,130	\$ 425,330	\$ 1,446,040
Customer deposits	28,111	217	-	78,328
Accrued liabilities	32,657	8,579	8,829	51,878
Accrued interest	-	-	2,217	-
Due to other funds	-	-	-	24,192
Current portion of general obligation debt	-	-	-	-
Current portion of other loans payable	50,000	-	325,000	-
Current portion of compensated absences	59,799	21,414	28,992	50,000
Liabilities payable from restricted assets:				
Current portion of revenue bonds	240,000	105,000	407,798	110,205
Accrued interest	15,762	8,552	20,315	-
Total current liabilities	<u>1,423,378</u>	<u>165,872</u>	<u>1,218,481</u>	<u>45,690</u>
Noncurrent liabilities:				
Long-term debt:				
General obligation debt	-	340,000	-	340,000
Revenue bonds	1,615,000	1,175,000	4,166,585	-
Other loans payable	383,333	-	-	6,986,585
Unamortized debt premium	54,380	1,664	98,403	383,333
Other postemployment benefits	114,346	8,988	19,644	194,657
Total noncurrent liabilities	<u>2,167,769</u>	<u>1,185,662</u>	<u>4,624,632</u>	<u>143,488</u>
Total liabilities	<u>3,591,147</u>	<u>1,351,554</u>	<u>5,843,113</u>	<u>797,063</u>
Deferred inflows of Resources				
Pension related amounts	1,119,932	392,296	446,969	111,639
OPEB related amounts	12,210	957	2,088	2,070,836
Total deferred inflows of resources	<u>1,132,142</u>	<u>393,253</u>	<u>449,057</u>	<u>111,639</u>
Net Position				
Net investment in capital assets	17,097,448	13,207,589	19,466,515	6,406,164
Restricted for:				
Debt service	193,958	82,944	527,207	-
Replacement	-	-	996,091	804,109
Impact fee projects	516,321	-	455,585	996,091
Pension	3,801,454	177,560	210,743	435,585
Unrestricted		3,847,026	1,260,708	1,184,908
Total net position	<u>\$ 2,160,918</u>	<u>\$ 17,315,119</u>	<u>\$ 22,896,849</u>	<u>\$ 7,650,241</u>
Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds				<u>69,471,390</u>
Net position business-type activities				<u><u>(2,146,350)</u></u>
				<u><u>\$ 67,325,040</u></u>

See notes to financial statements
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See notes to financial statements
11

City of River Falls

Statement of Revenues, Expenses and Changes in Net Position
Proprietary Funds
Year Ended December 31, 2021

<u>Business-Type Activities - Enterprise Funds</u>				<u>Governmental Activities - Internal Service Funds</u>	<u>Total</u>
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Nonmajor Enterprise Funds</u>	
Operating Revenues					
Public charges for services	\$ 15,172,454	\$ 1,979,414	\$ 3,385,367	\$ 919,623	\$ 21,456,858
Total operating revenues	<u>15,172,454</u>	<u>1,979,414</u>	<u>3,385,367</u>	<u>919,623</u>	<u>21,456,858</u>
Operating Expenses					
Operation and maintenance	12,600,463	913,815	1,681,709	1,125,115	16,321,102
Depreciation	<u>1,146,752</u>	<u>476,517</u>	<u>850,036</u>	<u>205,254</u>	<u>2,678,559</u>
Total operating expenses	<u>13,147,215</u>	<u>1,390,332</u>	<u>2,531,745</u>	<u>1,330,369</u>	<u>18,999,661</u>
Operating income (loss)	<u>1,425,239</u>	<u>589,082</u>	<u>853,622</u>	<u>(410,746)</u>	<u>2,457,197</u>
Nonoperating Revenues (Expenses)					
Investment income	14,458	7,158	6,502	1,950	30,068
Interest and fiscal charges	(65,849)	(52,740)	(141,366)	(2,117)	(282,072)
Amortization of debt premium and loss on refunding	8,540	178	(5,884)	-	586
Miscellaneous	<u>29,389</u>	<u>-</u>	<u>-</u>	<u>14,052</u>	<u>43,441</u>
Total nonoperating revenues (expenses)	<u>(13,462)</u>	<u>(45,404)</u>	<u>(140,748)</u>	<u>13,885</u>	<u>(185,729)</u>
Income before contributions and transfers	<u>1,411,777</u>	<u>543,678</u>	<u>712,874</u>	<u>(396,861)</u>	<u>2,271,468</u>
Contributions and Transfers					
Capital contributions	129,128	351,845	261,336	-	742,309
Transfers from other funds	<u>(956,877)</u>	<u>(434,986)</u>	<u>-</u>	<u>(52,880)</u>	<u>-</u>
Transfers to other funds					
Total contributions and transfers	<u>(827,749)</u>	<u>(83,141)</u>	<u>49,244</u>	<u>(52,880)</u>	<u>(914,526)</u>
Change in net position					
Net Position, Beginning	584,028	460,537	762,118	(449,741)	1,356,942
Net Position, Ending	<u>2,1,025,153</u>	<u>16,854,582</u>	<u>22,134,731</u>	<u>8,099,982</u>	<u>68,114,448</u>
Change in net position of enterprise funds	<u>\$ 21,609,181</u>	<u>\$ 17,315,119</u>	<u>\$ 22,896,849</u>	<u>\$ 7,650,241</u>	<u>\$ 69,471,390</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					
Change in net position of business-type activities					

See notes to financial statements

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Nonmajor Enterprise Funds</u>	<u>Governmental Activities - Internal Service Funds</u>
Operating Revenues					
Public charges for services	\$ 15,172,454	\$ 1,979,414	\$ 3,385,367	\$ 919,623	\$ 21,456,858
Total operating revenues	<u>15,172,454</u>	<u>1,979,414</u>	<u>3,385,367</u>	<u>919,623</u>	<u>21,456,858</u>
Operating Expenses					
Operation and maintenance	12,600,463	913,815	1,681,709	1,125,115	16,321,102
Depreciation	<u>1,146,752</u>	<u>476,517</u>	<u>850,036</u>	<u>205,254</u>	<u>2,678,559</u>
Total operating expenses	<u>13,147,215</u>	<u>1,390,332</u>	<u>2,531,745</u>	<u>1,330,369</u>	<u>18,999,661</u>
Operating income (loss)	<u>1,425,239</u>	<u>589,082</u>	<u>853,622</u>	<u>(410,746)</u>	<u>2,457,197</u>
Nonoperating Revenues (Expenses)					
Investment income	14,458	7,158	6,502	1,950	30,068
Interest and fiscal charges	(65,849)	(52,740)	(141,366)	(2,117)	(282,072)
Amortization of debt premium and loss on refunding	8,540	178	(5,884)	-	-
Miscellaneous	<u>29,389</u>	<u>-</u>	<u>-</u>	<u>14,052</u>	<u>43,441</u>
Total nonoperating revenues (expenses)	<u>(13,462)</u>	<u>(45,404)</u>	<u>(140,748)</u>	<u>13,885</u>	<u>(185,729)</u>
Income before contributions and transfers	<u>1,411,777</u>	<u>543,678</u>	<u>712,874</u>	<u>(396,861)</u>	<u>2,271,468</u>
Contributions and Transfers					
Capital contributions	129,128	351,845	261,336	-	742,309
Transfers from other funds	<u>(956,877)</u>	<u>(434,986)</u>	<u>-</u>	<u>(52,880)</u>	<u>-</u>
Transfers to other funds					
Total contributions and transfers	<u>(827,749)</u>	<u>(83,141)</u>	<u>49,244</u>	<u>(52,880)</u>	<u>(914,526)</u>
Change in net position					
Net Position, Beginning	584,028	460,537	762,118	(449,741)	1,356,942
Net Position, Ending	<u>2,1,025,153</u>	<u>16,854,582</u>	<u>22,134,731</u>	<u>8,099,982</u>	<u>68,114,448</u>
Change in net position of enterprise funds	<u>\$ 21,609,181</u>	<u>\$ 17,315,119</u>	<u>\$ 22,896,849</u>	<u>\$ 7,650,241</u>	<u>\$ 69,471,390</u>
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds					
Change in net position of business-type activities					

City of River Falls

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

Business-Type Activities - Enterprise Funds						
	Electric Utility	Water Utility	Sewer Utility	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Cash Flows From Operating Activities						
Received from customers	\$ 15,088,756	\$ 2,043,489	\$ 3,359,747	\$ 1,256,782	\$ 21,748,774	\$ 301,545
227,037	-	-	-	-	227,037	-
(11,755,148)	(536,827)	(1,196,560)	(1,088,826)	(14,577,361)	(734,829)	
Paid to suppliers for goods and services	(1,984,665)	(446,554)	(566,258)	(149,577)	(2,147,054)	(378,050)
Paid to employees for services						
Net cash flows from operating activities	<u>2,575,980</u>	<u>1,060,108</u>	<u>1,596,929</u>	<u>18,379</u>	<u>5,251,396</u>	<u>(811,334)</u>
Cash Flows From Investing Activities						
Investment income	<u>14,458</u>	<u>7,158</u>	<u>6,502</u>	<u>1,950</u>	<u>30,068</u>	<u>586</u>
Net cash flows from investing activities	<u>14,458</u>	<u>7,158</u>	<u>6,502</u>	<u>1,950</u>	<u>30,068</u>	<u>586</u>
Cash Flows From Noncapital Financing Activities						
Paid to municipality for tax equivalent	(461,693)	(286,576)	-	-	(748,269)	-
Debt retired	(2,973)	-	-	-	(2,973)	-
Transfers to/from other funds	(495,184)	(148,410)	(212,092)	(52,880)	(908,566)	915,995
Net cash flows from noncapital financing activities	<u>(959,850)</u>	<u>(434,986)</u>	<u>(212,092)</u>	<u>(52,880)</u>	<u>(1,659,808)</u>	<u>915,995</u>
Cash Flows From Capital and Related Financing Activities						
Debt retired	(280,000)	(105,000)	(712,512)	-	(1,097,512)	-
Interest paid	(67,819)	(53,265)	(143,980)	(2,117)	(267,181)	-
Acquisition and construction of capital assets	(1,196,595)	(192,158)	(624,561)	-	(2,013,314)	-
Proceeds from sale/transfer of capital assets	-	-	-	6,718	6,718	-
Capital contributions received	129,128	35,127	40,812	-	205,067	-
Impact fees received	-	351,845	247,172	-	599,017	-
Net cash flows from capital and related financing activities	<u>(1,145,286)</u>	<u>36,549</u>	<u>(1,193,069)</u>	<u>4,601</u>	<u>(2,567,205)</u>	<u>-</u>
Net change in cash and cash equivalents	<u>215,302</u>	<u>668,829</u>	<u>198,270</u>	<u>(27,950)</u>	<u>1,054,451</u>	<u>105,247</u>
Cash and Cash Equivalents, Beginning	<u>3,540,633</u>	<u>3,256,370</u>	<u>3,592,785</u>	<u>894,345</u>	<u>11,284,133</u>	<u>216,731</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,755,935</u>	<u>\$ 3,925,199</u>	<u>\$ 3,791,055</u>	<u>\$ 866,395</u>	<u>\$ 12,338,584</u>	<u>\$ 321,978</u>

City of River Falls

Statement of Cash Flows
Proprietary Funds
Year Ended December 31, 2021

Business-Type Activities - Enterprise Funds			
Electric Utility	Water Utility	Sewer Utility	
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ 1,425,239	\$ 589,082	\$ 853,622
Nonoperating revenue	29,389	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	1,146,752	476,517	850,036
Depreciation charged to other funds	-	52,081	(52,081)
Changes in assets and liabilities:			
Accounts receivable	(33,739)	11,274	22,880
Other receivables	151,987	720	3,581
Inventories	(114,129)	-	-
Prepaid items	59	(506)	182
Due from other funds	-	-	-
Accounts payable	103,210	(11,348)	(26,217)
Accrued liabilities	(19,833)	2,246	866
Due to other funds	-	-	-
Customer deposits	(4,298)	-	-
Compensated absences	16,867	(208)	9,150
Other postemployment benefits and related deferrals	23,759	(1,283)	(2,002)
Pension related deferrals and asset/liability	(149,283)	(58,467)	(63,088)
Net cash flows from operating activities	<u>\$ 2,575,980</u>	<u>\$ 1,060,108</u>	<u>\$ 1,506,929</u>

Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments			
Cash and investments	\$ 3,286,405	\$ 3,659,486	\$ 1,498,591
Restricted cash and investments	469,530	265,713	2,292,464
Cash and cash equivalents			
Cash and cash equivalents	<u>\$ 3,755,935</u>	<u>\$ 3,925,199</u>	<u>\$ 3,791,055</u>

Noncash Capital and Related Financing Activities			
None			

Business-Type Activities - Enterprise Funds			
Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds	
\$ (410,746)	\$ 2,457,197	\$ (845,491)	
14,052	43,441	120	

City of River Falls
 Statement of Fiduciary Net Position
 Fiduciary Fund
 December 31, 2021

City of River Falls
 Statement of Changes in Fiduciary Net Position
 Fiduciary Fund
 Year Ended December 31, 2021

	Custodial Fund	Tax Collection Fund	Custodial Fund	Tax Collection Fund
Assets				
Cash and investments				
Taxes receivable				
Total assets	<u>\$ 3,663,345</u>	<u>12,292,165</u>	<u>\$ 11,030,048</u>	<u>11,030,048</u>
Liabilities				
Due to other taxing units				
Total liabilities	<u>15,925,510</u>	<u>15,925,510</u>	<u>11,030,048</u>	<u>11,030,048</u>
Net Position				
Total net position	<u>\$ _____</u>	<u>_____</u>	<u>\$ _____</u>	<u>_____</u>
Change in fiduciary net position				
Net Position, Beginning				
Net Position, Ending				

City of River Falls
Index to Notes to Financial Statements
December 31, 2021

City of River Falls
Notes to Financial Statements
December 31, 2021

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1. Summary of Significant Accounting Policies

The accounting policies of the City of River Falls, 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 Government 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 on 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 on 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 substantially the same governing body and a financial benefit or burden relationship exists; (2) the primary government and the component unit have substantially the same governing body and management of the primary government has operational responsibility for the component unit, 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
Business Improvement District

The government-wide financial statements include the Business Improvement District (BID) as a component unit. The BID is a legally separate organization. The board of the BID is appointed by the mayor of the City of River Falls. Wisconsin Statutes provide for circumstances whereby the City can impose its will on the BID, and also create a potential financial benefit to or burden on the City. See Note 3. As a component unit, the BID's financial statements have been presented as a discrete column in the financial statements. The information presented is for the fiscal year ended December 31, 2021. The BID does not issue separate financial statements.

Government-Wide and Fund Financial Statements

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. This standard was implemented January 1, 2021.

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 categories. 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.

Special Revenue Funds

TIF #10 Special Revenue Fund is used to account for and report grants and local revenues legally restricted or committed to supporting expenditures for the TIF #10.

Capital Projects Funds

General Capital Projects Fund is account for and reports proceeds from long-term borrowing and other resources to be used for capital improvement projects.

Enterprise Funds

The City reports the following major enterprise funds:

Electric Utility accounts for operations of the Electric system.

Water Utility accounts for operations of the Water system.

Sewer Utility accounts for operations of the Sewer system.

The City reports the following nonmajor governmental and enterprise 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).

Tax Increment District #16	Tax Increment District #17
Refuse and Solid Waste	Library
Shared Ride Taxi	Commercial Revolving Loan Fund
Environmental Fee	Park Acquisition Fund
Park Impact Fees	Tax Increment District #5
Park Impact Fees	- Tax Increment District #6
Fire Impact Fees	- Tax Increment District #8
Housing Reserve	- Tax Increment District #9
Library Trust Fund	- Tax Increment District #11
Tourism and Economic Development	- Tax Increment District #12
American Rescue Plan Act	- Tax Increment District #13
	- Tax Increment District #14
	- Tax Increment District #15

Debt Service Funds

Debt Service Funds are 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.

Notes
Bonds

Capital Projects Funds

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.

Capital Equipment

Enterprise Funds

Enterprise Funds are used to account for and report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Stormwater
Ambulance

In addition, the City reports the following fund types:

Internal Service Funds

Internal Service Funds are used to account for and report the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governmental units, on a cost-reimbursement basis.

City Hall
Motor Pool
Technology
Maintenance

Custodial Funds

Custodial Funds are 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 electric, water and sewer 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 Electric Utility, Water Utility, Sewer Utility, Stormwater Utility and Ambulance fund 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, 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.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 881 of the Wisconsin Statutes. Investment of library trust funds is regulated by Chapter 112. Those sections give broad authority to use such funds to acquire various kinds of investments including stocks, bonds and debentures.

The City has adopted an investment policy. That policy contains the following guidelines for allowable investments.

Custodial Credit Risk

The City requires that all funds on deposit be secured by some form of collateral. The amount of the collateral will not be less than 110% of the fair market value of the net amount of public funds secured.

Credit Risk

The City will only invest in the type of investments allowable by state statutes as listed above. In addition, any investments in commercial paper and variable rate demand notes must have a rating of A-1 or A-2 by Standard & Poor's Corporation or P-1 or P-2 by Moody's Investors' Service at the time of purchase. Investments in fixed income securities must have a minimum long-term debt rating of AA by Standard & Poor's Corporation or Aa by Moody's Investors' Services.

Concentration of Credit Risk

The City will diversify investments according to the following limits:

1. No financial institutions shall hold more than 15% of the City's investment portfolio excluding short-term construction bond proceeds.
2. Monies deposited at an individual financial institution shall not exceed 10% of the capital stock and surplus of that institution.
3. Commercial paper shall not exceed 10% of the City's portfolio.
4. Deposits in the Wisconsin State Investment Pool shall not exceed 50% of the investment portfolio, with the exception of annual property tax collections, which are generally invested for 30 days or less.
5. Financing for City projects, for a term not more than five years, shall not exceed 15% of the portfolio.
6. Total holdings of any one issuer may not exceed 10% of the market value of the portfolio at the time of purchase, with the exception of U.S. government issues fully guaranteed as to both principal and interest by the U.S. government or agencies thereof.

Interest Rate Risk

Maturities of individual securities must be in compliance with Section 66.06(3)(2) of Wisconsin State Statutes. Per this Section, time deposits may not exceed three years and debt that is not guaranteed as to principal and interest by the Federal Government or its Agencies, or a Wisconsin municipality must have a maturity not more than seven years.

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 methods and inputs as outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statements 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.

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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, 2021, 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 state and county governments 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 - 2021 tax roll:

Lien date and levy date	December 2021
Tax bills mailed	December 2021
Payment in full, or	January 31, 2022
First installment due	January 31, 2022
Second installment due	July 31, 2022
Personal property taxes in full	January 31, 2022
Tax sale - 2021 delinquent real estate taxes	October 2024

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 electric, water or sewer 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.

It is the City's policy to record unavailable revenue for the net amount of the receivable balance. As loans are repaid, revenue is recognized. When new loans are made from the repayments, expenditures are recorded. Interest received from loan repayments is recognized as revenue when received in cash. Any unspent loan repayments at year end are presented as restricted or committed fund balance in the fund financial statements.

Inventories and Prepaid Items

Governmental fund inventory items are charged to expenditure accounts when purchased. Year-end inventory was not significant. Proprietary fund inventories are generally used for construction and/or operation and maintenance work. They are not for resale. They are valued at cost based on average cost and charged to construction and/or operation and maintenance expense when used.

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 Statements

Capital assets, which include property, plant and equipment, 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 \$100,000 for infrastructure assets and an estimated useful life in excess of 1 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	25-75 Years
Land Improvements	25 Years
Machinery and Equipment	10-40 Years
Infrastructure	50-70 Years
Utility System	4-100 Years
Intangibles	3-20 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.

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Deferred Outflows of Resources

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

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

Compensated Absences

Under terms of employment, employees are granted paid time off in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred 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, 2021, 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, accrued compensated absences and other postemployment benefits.

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.

Deferred Inflows of Resources

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.

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/amortization 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."

The net position section includes an adjustment for capital assets owned by the business-type activities column, but financed by the debt of the governmental activities column. The amount is a reduction of "net investment in capital assets" and an increase in "unrestricted" net position, shown only in the total column. A reconciliation of this adjustment is as follows:

	Governmental Activities	Business-Type Activities	Adjustment	Total
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Net investment in capital assets	\$ 48,798,825	\$ 56,177,716	\$ (1,481,365)	\$ 103,495,176
Unrestricted	4,353,915	7,947,746	1,481,365	13,783,026

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.

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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 Council may take official action to assign amounts. 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 from 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

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions/DEDuctions from WRS' fiduciary net position have been determined on the same basis as they are reported by 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 net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expenses 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.

Basis for Existing Rates

Current electric rates were approved by the PSCW effective September 29, 2020.

Current water rates were approved by the PSCW effective June 27, 2016.

Current sewer rates were approved by the City Council on March 12, 2012.

Current stormwater rates were effective April 1, 2007.

2. **Stewardship, Compliance and Accountability**

Excess Expenditures and Other Financing Uses Over Budget

Budgeted expenditures in the Tax Incremental Fund #10 fund (including amendments) were \$461,599. Total expenditures were \$465,490. This results in excess expenditures of \$3,891.

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, 2021, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF #10 General Capital Projects	\$ 3,284,958 981,468	Insufficient tax increment generated Costs exceeded revenues due to capital expenditures
TIF #5	10,538	Insufficient tax increment generated
TIF #6	879,420	Insufficient tax increment generated
TIF #8	29,562	Insufficient tax increment generated
TIF #9	362,199	Insufficient tax increment generated
TIF #11	299,491	Insufficient tax increment generated
TIF #12	546,648	Insufficient tax increment generated
TIF #14	247,928	Insufficient tax increment generated
TIF #15	25,254	Insufficient tax increment generated
TIF #16	12,366	Insufficient tax increment generated
TIF #17	13,029	Insufficient tax increment generated
TIF #18	521,716	Insufficient tax increment generated
Fire Impact Fees	30,142	Expenditures to cover expenditures
Tourism and Economic Development	672,919	Costs exceeded revenues due to purchase of property
Commercial Revolving Loan Fund	66,441	Costs exceeded revenues due to the long-term nature of loan repayments
Debt Service Bonds	19,863	Insufficient revenues to cover expenditures

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. Remaining fund deficits are anticipated to be funded with future contributions, general tax revenues, or repayment of advanced funds.

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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 new construction or 0%. 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:

	Bank and Investment Balances	Associated Risks
	Carrying Value	
Deposits	\$ 4,064,316 24,043,063	\$ 4,149,736 24,043,063
U.S. treasures	939,544	939,544
Corporate bonds	521,856	521,856
Asset-backed securities	213,119	213,119
Municipally-held securities	897,902	897,902
Mortgage-backed securities	927,162	927,162
Petty cash	-714	N/A
Total deposits and investments	<u>\$ 31,607,676</u>	<u>\$ 31,692,382</u>
Reconciliation to financial statements		
Per statement of net position:		
Unrestricted cash and investments	\$ 24,916,624	
Restricted cash and investments	3,027,707	
Per statement of net position, fiduciary fund:		
Custodial fund	3,663,345	
Total deposits and investments	<u>\$ 31,607,676</u>	

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 noninterest-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 \$400,000. 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.

Deposits in investments at Security Financial Bank are collateralized by \$8,000,000 of Federal Home Loan Bank letters of credit, surety bonds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Quoted market prices
- Matrix modeled pricing

Investment Type	Level 1	Level 2	Level 3	Total
U.S. treasures	\$ -	\$ 939,544	\$ -	\$ 939,544
Corporate bonds	-	521,856	-	521,856
Asset-backed securities	-	213,119	-	213,119
Municipally-held securities	-	897,902	-	897,902
Mortgage-backed securities	-	927,162	-	927,162
Total	<u>\$ -</u>	<u>\$ 3,499,583</u>	<u>\$ -</u>	<u>\$ 3,499,583</u>

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.

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

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Credit Risk

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

As of December 31, 2021, the City's investments were rated as follows:

Investment Type	Standard & Poors
Corporate bonds	AA+/AA/AA-/A+
Asset-backed securities	AAA/AA+/AA-/AA-
Municipally-held securities	AAA/AA+/AA-/AA-
Mortgage-backed securities	AA+

Some of the City's municipally-held securities were not rated.

The City also held investments in the following external pool which are not rated:

Local Government Investment Pool

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

None of the City's investments with concentration of credit risk as an associated risk comprised more than 5% of its total investment portfolio at year-end.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the City's investments were as follows:

Investment Type	Fair Value	Less than One Year	One - Five	Six - Ten	More than Ten	Maturity (In Years)
U.S. treasuries	\$ 939,544	\$ 105,722	\$ 939,544	\$ 184,420	\$ -	-
Corporate bonds	521,856	-	231,714	123,958	89,161	-
Asset-backed securities	213,119	-	64,933	689,524	133,445	-
Municipally-held securities	897,902	246,528	670,617	-	-	10,017
Mortgage-backed securities	927,162	-	-	-	-	-
Total	<u>\$ 3,499,583</u>	<u>\$ 417,183</u>	<u>\$ 2,665,357</u>	<u>\$ 407,026</u>	<u>\$ 10,017</u>	

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$50,405 in the general fund and \$33,373 in the general capital projects fund; loans of \$267,000 in TIF #10, \$100,050 in the general capital projects fund and \$463,434 in nonmajor governmental funds; and other receivables of \$14,094 in the water utility and \$10,892 in the sewer utility.

Revenues of the ambulance fund are reported net of contractual cost reductions related to Medicare and Medicaid and amount to \$878,145 for the current period.

Allowances for uncollectible receivables as of year-end are as follows:

General Fund	Allowance for various uncollectible receivables	<u>\$ 23,894</u>
Nonmajor Enterprise Funds	Allowance for uncollectible ambulance receivables	<u>\$ 1,297,567</u>
Governmental funds report <i>unavailable</i> or <i>unearned revenue</i> 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 <i>unavailable revenue</i> and <i>unearned revenue</i> reported in the governmental funds were as follows:		
Unearned	Unavailable	
Property taxes receivable	\$ 8,828,103	\$ 4,455
Special assessments receivable	7,634	46,099
Grants receivable	-	2,250
Loans receivable	-	1,082,303
Developer deposits	3,415,644	-
Miscellaneous	-	141,702
Grant funds received in advance of incurring allowable expenditures	838,761	-
Total unearned/unavailable revenue for governmental funds	<u>\$ 13,090,142</u>	<u>\$ 1,276,809</u>
Unearned revenue included in liabilities	\$ 4,254,405	
Unearned revenue included in deferred inflows	8,835,737	
Total unearned revenue for governmental funds	<u>\$ 13,090,142</u>	

The following represent the balances of the restricted assets:

Long-Term Debt Accounts	
Redemption	- Used to segregate resources accumulated for debt service payments over the next twelve months.
Reserve	- Used to report resources set aside to make up potential future deficiencies in the redemption account.

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.

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Impact Fee Account

The City has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2021:

Restricted assets:	
Bond redemption account	\$ 848,718
Bond reserve account	747,313
Impact fee account	435,585
Replacement account	996,091
Net pension asset	<u>3,736,125</u>
Total restricted assets	<u>\$ 6,763,832</u>

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
General government				\$ 164,053
Public safety				263,781
Public works				784,951
Leisure activities				388,516
Conservation and development				10,119
Total governmental activities depreciation / amortization expense				<u>\$ 1,611,420</u>

Governmental Activities

Capital assets not being depreciated / amortized:

Land	\$ 15,632,657	\$ 700,321	\$ -	\$ 16,332,978
Construction in progress	<u>4,190,319</u>	<u>346,509</u>	<u>4,101,968</u>	<u>434,860</u>
Total capital assets not being depreciated / amortized	<u>19,822,976</u>	<u>1,046,830</u>	<u>4,101,968</u>	<u>16,767,838</u>
Capital assets being depreciated / amortized:				
Land and improvements	3,005,000	36,701	-	3,041,701
Buildings	18,121,088	4,243,661	-	22,364,744
Machinery and equipment	8,988,527	435,457	64,711	9,329,273
Infrastructure	38,203,828	-	-	38,203,828
Intangibles	373,105	-	-	373,105
Total capital assets being depreciated / amortized	<u>68,661,543</u>	<u>4,715,819</u>	<u>64,711</u>	<u>73,312,651</u>
Total capital assets	<u>88,484,519</u>	<u>5,762,649</u>	<u>4,166,679</u>	<u>90,080,489</u>

	Beginning Balance	Additions	Deletions	Ending Balance
Less accumulated depreciation / amortization for:				
Land improvements	\$ (364,761)	\$ (78,190)	\$ -	\$ (442,951)
Buildings	\$ (7,160,915)	\$ (94,997)	\$ -	\$ (7,655,912)
Machinery and equipment	\$ (4,330,324)	\$ (452,790)	\$ 64,711	\$ (4,718,403)
Infrastructure	\$ (10,201,906)	\$ (534,326)	\$ -	\$ (10,756,232)
Intangibles	\$ (237,574)	\$ (31,117)	\$ -	\$ (268,691)
Total accumulated depreciation / amortization	<u>\$ (22,295,480)</u>	<u>(1,611,420)</u>	<u>64,711</u>	<u>(23,842,189)</u>
Net capital assets being depreciated / amortized	<u>\$ 46,366,063</u>	<u>3,104,399</u>	<u>-</u>	<u>49,470,462</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 66,189,039</u>	<u>\$ 4,151,229</u>	<u>\$ 4,101,968</u>	<u>\$ 66,238,300</u>
Depreciation / amortization expense was charged to functions as follows:				
Governmental Activities				
General government				\$ 164,053
Public safety				263,781
Public works				784,951
Leisure activities				388,516
Conservation and development				10,119
Total governmental activities depreciation / amortization expense				<u>\$ 1,611,420</u>

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Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Electric				
Capital assets not being depreciated:				
Land and land rights	\$ 122,960	\$ 535,980	\$ 686,640	\$ 122,960
Construction in progress	<u>167,145</u>	<u>535,980</u>	<u>686,640</u>	<u>16,485</u>
Total capital assets not being depreciated	<u>290,105</u>	<u>535,980</u>	<u>686,640</u>	<u>139,445</u>
Capital assets being depreciated:				
Hydraulic production	932,179	-	-	932,179
Other production	1,260,829	-	-	1,260,829
Transmission	2,676,475	-	-	2,676,475
Distribution	25,781,688	1,245,620	433,763	26,593,545
General	2,630,919	65,802	9,433	2,687,288
Total capital assets being depreciated	<u>33,282,090</u>	<u>1,311,422</u>	<u>443,196</u>	<u>34,150,316</u>
Total capital assets	<u>33,572,195</u>	<u>1,847,402</u>	<u>1,129,836</u>	<u>34,289,761</u>
Less accumulated depreciation for:				
Hydraulic production	(723,423)	(20,446)	-	(743,869)
Other production	(789,614)	(25,127)	-	(814,741)
Transmission	(969,400)	(86,113)	-	(1,055,513)
Distribution	(10,326,893)	(888,715)	469,283	(10,746,328)
General	(1,651,834)	(129,351)	9,433	(1,738,752)
Total accumulated depreciation	<u>(14,441,164)</u>	<u>(1,146,752)</u>	<u>478,716</u>	<u>(15,169,200)</u>
Net capital assets being depreciated	<u>18,840,926</u>	<u>164,670</u>	<u>(35,520)</u>	<u>19,041,116</u>
Net electric capital assets	<u>\$ 19,131,031</u>	<u>\$ 700,650</u>	<u>\$ 651,120</u>	<u>\$ 19,180,561</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 23,120	\$ 88,920	\$ 44,935	\$ 23,120
Construction in progress	<u>134,698</u>	<u>88,920</u>	<u>44,935</u>	<u>201,803</u>
Total capital assets not being depreciated	<u>157,818</u>	<u>88,920</u>	<u>44,935</u>	<u>201,803</u>
Capital assets being depreciated:				
Source of supply	881,451	-	-	881,451
Pumping	2,097,693	29,235	3,157	2,123,771
Water treatment	49,671	-	-	49,671
Transmission and distribution	18,068,012	133,057	17,336	18,183,753
General	559,744	-	-	559,744
Total capital assets being depreciated	<u>21,656,571</u>	<u>162,292</u>	<u>20,493</u>	<u>21,798,370</u>
Total capital assets	<u>21,814,389</u>	<u>251,212</u>	<u>65,428</u>	<u>22,000,173</u>
Less accumulated depreciation for:				
Source of supply	(229,770)	(30,181)	-	(259,951)
Pumping	(780,429)	(61,089)	3,157	(838,341)
Water treatment	(24,975)	(2,695)	-	(27,670)
Transmission and distribution	(5,815,561)	(402,797)	17,336	(6,201,022)
General	(326,316)	(31,857)	-	(358,173)
Total accumulated depreciation	<u>(7,177,051)</u>	<u>(528,589)</u>	<u>20,493</u>	<u>(7,685,157)</u>
Net capital assets being depreciated	<u>14,479,520</u>	<u>(366,307)</u>	<u>-</u>	<u>14,113,213</u>
Net water capital assets	<u>\$ 14,637,338</u>	<u>\$ (277,387)</u>	<u>\$ 44,935</u>	<u>\$ 14,315,016</u>
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 117,622	\$ 817,656	\$ 2,119,590	\$ 117,622
Construction in progress	<u>2,549,181</u>	<u>817,656</u>	<u>2,119,590</u>	<u>1,247,247</u>
Total capital assets not being depreciated	<u>2,666,803</u>	<u>817,656</u>	<u>2,119,590</u>	<u>1,364,869</u>
Capital assets being depreciated:				
Collection system	17,867,521	165,408	11,553	18,021,376
Collection system pumping	1,028,479	-	57,161	971,318
Treatment and disposal	11,143,262	1,909,755	1,648,094	11,404,923
General	3,226,091	-	-	3,226,091
Intangibles	98,839	-	-	91,352
Total capital assets being depreciated	<u>33,364,192</u>	<u>2,075,163</u>	<u>1,724,295</u>	<u>33,715,060</u>
Total capital assets	<u>36,030,995</u>	<u>2,892,819</u>	<u>3,843,885</u>	<u>35,079,929</u>
Less accumulated depreciation for:				
Collection system	(3,844,672)	(192,305)	14,457	(4,022,520)
Collection system pumping	(638,409)	(20,274)	76,236	(782,447)
Treatment and disposal	(5,651,326)	(373,940)	1,599,632	(4,325,634)
General	(1,362,764)	(125,070)	-	(1,487,834)
Total accumulated depreciation	<u>(11,597,171)</u>	<u>(711,589)</u>	<u>1,690,325</u>	<u>(10,618,435)</u>
Net capital assets being depreciated	<u>21,767,021</u>	<u>1,363,574</u>	<u>33,970</u>	<u>23,096,625</u>
Net sewer capital assets	<u>\$ 24,433,824</u>	<u>\$ 2,181,290</u>	<u>\$ 2,153,560</u>	<u>\$ 24,461,494</u>

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	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Stormwater				
Capital assets not being depreciated:				
Construction in progress	\$ 64,350	\$ -	\$ -	\$ 64,350
Total capital assets not being depreciated	64,350	-	-	64,350
Capital assets being depreciated:				
Machinery and equipment	143,440	-	-	143,440
Collection system	8,819,665	-	-	8,819,665
Total capital assets being depreciated	8,963,105	-	-	8,963,105
Total capital assets	9,027,455	-	-	9,027,455
Less accumulated depreciation for:				
Machinery and equipment	(124,139)	(15,827)	-	(139,966)
Collection system	(2,518,418)	(162,357)	-	(2,680,975)
Total accumulated depreciation	(2,642,557)	(178,384)	-	(2,820,941)
Net capital assets being depreciated	6,320,548	(178,384)	-	6,142,164
Net stormwater capital assets	\$ 6,384,898	\$ (178,384)	\$ -	\$ 6,206,514
Ambulance				
Capital assets not being depreciated:				
Land	\$ 101,298	\$ -	\$ -	\$ 101,298
Total capital assets not being depreciated	101,298	-	-	101,298
Capital assets being depreciated:				
Buildings	601,408	-	-	601,408
Machinery and equipment	61,173	-	-	35,985
Total capital assets being depreciated	662,581	-	-	637,393
Total capital assets	763,879	-	-	738,691
Less accumulated depreciation for:				
Buildings	(483,025)	(21,830)	-	(504,855)
Machinery and equipment	(47,616)	-	13,430	(34,186)
Total accumulated depreciation	(530,641)	(21,830)	13,430	(539,041)
Net capital assets being depreciated	131,940	(21,830)	11,758	98,352
Net ambulance capital assets	\$ 233,298	\$ (21,830)	\$ 11,758	\$ 199,650
Business-type capital assets, net of accumulated depreciation	\$ 64,820,329	\$ 2,404,279	\$ 2,861,373	\$ 64,363,235

Depreciation / amortization expense was charged to functions as follows:

	<u>Business-Type Activities</u>	<u>Amount</u>
Electric		\$ 1,146,752
Water		476,517
Sewer		850,036
Stormwater		178,384
Ambulance		29,870
Total business-type activities depreciation expense		<u>\$ 2,678,559</u>
Depreciation expense is different from additions because of joint metering, salvage and cost of removal.		

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

	<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TIF District #5		\$ 9,126
General Fund	TIF District #11		114,867
General Fund	TIF District #14		243,305
General Fund	TIF District #17		12,969
General Fund	TIF District #18		16,805
General Fund	Refuse and Solid Waste		57,435
General Fund	Commercial Revolving Loan		66,771
General Fund	Fire Impact Fee		26,669
General Fund	Debt Service Bonds		37,441
General Fund	Debt Service Notes		203
General Fund	Motor Pool		24,192
Total, fund financial statements			609,783
Less fund eliminations			(609,783)
Add interfund receivables created with internal service fund eliminations			2,146,350
Total internal balances, government-wide statement of net position			<u>\$ 2,146,350</u>

All amounts are due within one year.

All balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund is advancing funds to TIF Districts No. 6, No. 8, No. 9, No. 10, No. 11, No. 12, No. 15, No. 16 and No. 18. The amount advanced is deficiency of revenues and other financing sources over expenditures and other financing uses since each District's inception. No repayment schedule has been established for the TIF-District advances.

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In 2011, the environmental fee fund advanced \$1,000,000 to the tourism and economic development fund. No repayment schedule has been established.

In 2017, the capital projects fund advanced \$500,000 to TIF District No. 10. 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	TIF District #6	\$ 917,045	\$ 917,045
General Fund	TIF District #8	118,157	118,157
General Fund	TIF District #9	381,709	381,709
General Fund	TIF District #10	2,422,711	2,422,711
General Fund	TIF District #11	164,612	164,612
General Fund	TIF District #12	629,726	629,726
General Fund	TIF District #15	600,000	600,000
General Fund	TIF District #16	800,000	800,000
General Fund	TIF District #18	504,571	504,571
General Capital Projects	TIF District #10	500,000	500,000
Environmental Fee	Tourism and Economic Development	500,000	500,000
		<u>1,000,000</u>	<u>1,000,000</u>
Total, fund financial statements		8,538,531	
Less fund eliminations		(8,538,531)	
Total, interfund advances, government-wide statement of net position		<u><u>\$ —</u></u>	

In addition to the interfund advances scheduled above, the General Fund paid a portion of its general property tax levy to TIF Districts No. 5, 9 and 10. The TIF Districts are contingently liable for repayment of these amounts to the General Fund, if the districts have sufficient resources. Net property tax levies advanced as of December 31, 2021 are as follows:

TIF District No. 5	\$ 1,549,267
TIF District No. 9	202,127
TIF District No. 10	337,423

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	TIF #10	\$ 29,123	Budgeted allocations
General	General capital projects	\$ 51,388	Budgeted allocations
General	Nonmajor governmental funds	480,273	Budgeted allocations
General	Electric utility	696,811	Property tax equivalent & budgeted allocations
General	Water utility	375,752	Property tax equivalent & budgeted allocations
General	Sewer utility	132,821	Property tax equivalent & budgeted allocations
General	Nonmajor enterprise funds	33,149	Property tax equivalent & budgeted allocations
General	Internal service funds	63,792	Property tax equivalent & budgeted allocations
General	General	90,330	Budgeted allocations
General	Nonmajor governmental funds	39,565	Budgeted allocations
General	Nonmajor governmental funds	151,122	Budgeted allocations
General	Internal service funds	630,866	Budgeted allocations
General	Nonmajor governmental funds	81,741	Budgeted allocations
Internal service funds	Nonmajor enterprise funds	19,731	Budgeted allocations
Internal service funds	Internal service funds	102,084	Budgeted allocations
Internal service funds	Electric utility	260,066	Budgeted allocations
Internal service funds	Water utility	59,234	Budgeted allocations
Internal service funds	Sewer utility	79,271	Budgeted allocations
Total, fund financial statements		3,377,119	Budgeted allocations
Less fund eliminations		(1,720,284)	
Total transfers, government-wide statement of activities		<u><u>\$ 1,656,835</u></u>	

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.

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Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities					
Bonds and notes payable:					
General obligation debt:					
Direct borrowings and direct placements (Discounts)/Premiums	\$ 17,670,000	\$ -	\$ 1,415,000	\$ 16,255,000	\$ 1,365,000
Total bonds and notes payable	3,029,361	-	456,379	2,572,982	430,704
Other liabilities:					
Vested compensated absences	232,765	8,081	5,804	235,042	235,042
Other postemployment benefits	764,025	-	51,961	712,064	-
Landfill postclosure care cost	114,807	8,037	15,513	107,331	15,513
Total other liabilities	1,111,597	16,118	73,278	1,054,437	250,555
Total governmental activities long-term liabilities	\$ 22,665,843	\$ 16,118	\$ 2,005,385	\$ 20,676,576	\$ 2,046,259
Business-Type Activities					
Bonds and notes payable:					
General obligation debt:					
Revenue bonds from direct borrowings and direct placements	\$ 980,000	\$ -	\$ 315,000	\$ 665,000	\$ 325,000
Other long-term debt from direct borrowings and direct placements (Discounts)/Premiums:	7,425,000	-	540,000	6,885,000	555,000
Total bonds and notes payable	1,016,885	-	192,512	824,383	197,988
Other liabilities:					
Vested compensated absences	486,306	-	52,973	433,333	50,000
Other postemployment benefits	181,654	-	26,997	154,657	-
Total other liabilities	10,089,885	-	1,122,482	8,982,373	1,127,798
Total business-type activities long-term liabilities	\$ 10,306,667	\$ 36,881	\$ 1,127,482	\$ 9,216,066	\$ 1,239,003

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, 2021, was \$65,795,550. Total general obligation debt outstanding at year end was \$19,492,982.

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 special revenue, debt service and capital projects funds. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

<u>General Obligation Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<u>General Obligation Debt</u>					
Refunding Bonds	03/20/12	03/20/28	2.4%	\$ 4,560,000	\$ 1,020,000
Corporate Purpose Bonds	08/2014	30-4.0	5,425,000	3,640,000	
State Trust Fund Loan *	07/20/15	03/20/34	3.75	1,600,000	1,196,666
State Trust Fund Loan *	10/20/15	03/20/25	3.25	269,800	131,324
Promissory Note *	10/20/15	10/20/25	2.94	575,000	231,792
Refunding Bonds	04/20/16	03/20/29	2.0-3.0	4,060,000	3,020,000
Park Bonds	07/20/18	04/20/33	3.0-3.2	3,460,000	2,895,000
Promissory Note *	12/20/18	12/20/23	3.33	516,000	206,400
Promissory Note *	11/20/19	11/20/29	2.54	620,000	496,000
Promissory Note *	11/20/19	11/20/24	2.09	518,000	310,800
Corporate Purpose Bonds	06/2020	03/2040	20-4.0	5,740,000	5,680,000
Total governmental activities, general obligation debt					
Business-Type Activities					
<u>General Obligation Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<u>General Obligation Debt</u>					
Refunding Bonds	08/2012	05/2023	1.0-2.5%	\$ 3,165,000	\$ 665,000

Total business-type activities, general obligation debt

* - considered direct placement or direct borrowing

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Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-Type Activities		General Obligation Debt	General Obligation Debt
	Principal	Interest	Principal	Interest		
2022	\$ 1,365,000	\$ 464,330	\$ 325,000	\$ 10,050		
2023	1,215,000	416,459	340,000	3,400		
2024	1,250,000	374,610	-	-		
2025	1,290,000	333,688	-	-		
2026	1,335,000	294,890	-	-		
2027-2031	5,910,000	901,273	-	-		
2032-2036	2,970,000	247,949	-	-		
2037-2040	920,000	33,900	-	-		
Total	\$ 16,255,000	\$ 3,067,099	\$ 665,000	\$ 13,450		

Years	Governmental Activities		Business-Type Activities		General Obligation Debt	General Obligation Debt
	Principal	Interest	Principal	Interest		
2022	\$ 430,704	\$ 79,821				
2023	434,463	67,141				
2024	335,044	55,314				
2025	235,589	46,223				
2026	146,727	39,183				
2027-2031	659,664	124,626				
2032-2034	330,791	25,013				
Total	\$ 2,572,982	\$ 437,321				

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water, and sewer utilities.

The electric utility has pledged future electric utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2018. The bonds are payable solely from electric utility revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require 11.43% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,068,525. Principal and interest paid for the current year and total customer net revenues were \$297,650 and \$2,586,449, respectively.

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2011. The bonds are payable solely from water utility revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 14.59% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,565,355. Principal and interest paid for the current year and total customer net revenues were \$157,765 and \$1,072,757, respectively.

The sewer utility has pledged future sewer utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2005 and 2016. The bonds are payable solely from sewer utility revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require 21.36% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,479,100. Principal and interest paid for the current year and total customer net revenues were \$524,093 and \$1,710,160, respectively.

Revenue debt payable at December 31, 2021, consists of the following:

Business-Type Activities Revenue Debt						
	Date of Issue	Final Maturity	Interest Rates	Original Debtedness	Balance December 31, 2021	
Electric Utility						
Revenue Bonds	07/20/18	04/2028	3.0-4.0%	\$ 2,500,000	\$ 1,855,000	
				Total Electric Utility	1,855,000	
Water Utility						
Revenue Bonds	07/20/11	11/2031	2.0-4.4%	2,125,000	1,280,000	
				Total Water Utility	1,280,000	
Sewer Utility						
Revenue Bonds *	11/20/05	05/2025	2.746%	3,317,130	824,383	
Revenue Bonds	04/20/16	05/2036	2.0-3.0%	4,510,000	3,750,000	
				Total Sewer Utility	4,574,383	
					\$ 7,709,383	

* - Considered direct placement or direct borrowing

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Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

Fund Balances	General Fund	Tax Increment District #10	General Capital Projects Fund	Nonmajor Funds	Total
Nonspendable:					
Prepaid items	\$ 56,126	\$ -	\$ 500,000	\$ 4,910	\$ 61,036
Advances to other funds	6,538,531	-	-	-	6,538,531
Subtotal	6,594,657	-	500,000	4,910	7,099,567
Restricted for:					
Debt service	-	-	16,130		16,130
Parking improvements	-	-	64,068		64,068
Refuse/solid waste	-	-	39,628		39,628
Shared ride taxi	-	-	10,199		10,199
Environmental fee	-	-	3,262,824		3,262,824
Future TIF expenditures	-	-	257,522		257,522
Library	-	-	246,741		246,741
Park impact fee projects	-	-	437,448		437,448
Library impact fee projects	-	-	124,900		124,900
Housing reserve	-	-	462,408		462,408
Library trust	-	-	155,149		155,149
Subtotal	-	-	5,077,017	5,077,017	
Committed to:					
American Recovery Plan	-	-	257		257
Park acquisition	-	-	1,125		1,125
Equipment	-	-	1,028,623		1,028,623
Subtotal	-	-	1,030,005	1,030,005	
Unassigned (deficit):					
Total fund balances (deficit)	6,139,780	(3,284,958)	(1,481,468)	(3,738,216)	(2,384,892)
Business-Type Activities					
Net investment in capital assets:					
Land				\$	\$ 365,000
Construction in progress					1,506,765
Other capital assets net of accumulated depreciation					62,491,470
Less Long-term debt outstanding					(8,807,716)
Plus unamortized loss on refunding					29,541
Less unamortized debt premium					(154,657)
Plus unspent debt proceeds					747,313

Component Unit

Business Improvement District

This report contains the Business Improvement District (BID), which is included as a component unit. The BID was established in 1988 pursuant to the law of the State of Wisconsin, to transact business and to have powers as defined therein. An independent board is responsible for all activities of the BID. The board members of the BID are separate from those of the City and employees are not included on or entitled to benefit programs of the City. Separate accounting records are maintained and debts incurred by the BID are not obligations of the City.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of financial

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Associated District
Statement of Balance
Carrying Value

סמלים וסמליות בתרבות יהודית

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the BID's

הנומינט מילון המונחים והביטויים

The BID does not have any deposits exposed to customers.

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Final Descrptn

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. Benefits 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 expedited to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

EFR issues a standard one Annual Comprehensive Financial Report (ACFR), which can be found at <https://efr.wi.gov/about-efr/reports-and-studies/financial-reports-and-statements>.

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 (\$4 for protective occupation employees, \$2 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their 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 (\$0 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.

Post-Retirement 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 %	Deferred Outflows of Resources	Deferred Inflows of Resources
2011	(1.2)	11.0		
2012	(7.0)	(7.0)		
2013	(9.6)	9.0		
2014	4.7	25.0		
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		
Total			\$ 6,110,380	\$ 8,191,966

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 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 \$877,794 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

Employee Category	Employee	Employer
General (Executives & Elected Officials)	6.75 %	6.75 %
Protective with Social Security	6.75 %	11.65 %
Protective without Social Security	6.75 %	16.25 %

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

At December 31, 2021, the City reported an asset of \$3,736,125 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.05984370%, which was an increase of 0.00061153% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized negative pension expense of \$351,494.

At December 31, 2021, 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 expected and actual experience	\$ 5,407,320	\$ 1,164,727
Changes in assumptions	84,742	-
Net differences between projected and actual earnings on pension plan investments	-	7,014,271
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,649	12,968
Employer contributions subsequent to the measurement date	614,669	-
Total	\$ 6,110,380	\$ 8,191,966

City of River Falls
 Notes to Financial Statements
 December 31, 2021

City of River Falls
 Notes to Financial Statements
 December 31, 2021

\$614,669 reported as deferred outflows 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Deferred Outflows of Resources and Deferred Inflows of Resources (net)

Year Ended December 31:	\$
2022	(698,150)
2023	(190,678)
2024	(1,269,655)
2025	(537,772)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:

December 31, 2019

Measurement Date of Net Pension Liability (Asset):

December 31, 2020

Actuarial Cost Method:

Entry Age Normal

Fair Value

Asset Valuation Method:

Long-Term Expected Rate of Return:

Discount Rate:

Salary Increases:

Inflation

Mortality:

Post-Retirement Adjustments*:

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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:

	Core Fund Asset Class		Asset Allocation %	Long-Term Expected Real Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51		51	7.2	4.7
Fixed Income	25		25	3.2	0.8
Inflation Sensitive Assets	16		2.0	(0.4)	
Real Estate	8		5.6	3.3	
Private Equity/Debt	11		10.2	7.6	
Multi-Asset	4		5.8	3.3	
Total Core Fund	115		6.6	4.1	
Variable Fund Asset Class		U.S. Equities	Variable Fund Asset Class	U.S. Equities	Variable Fund Asset Class
International Equities	30		7.4	4.9	
Total Variable Fund	100		7.1	4.6	

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%
 Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 asset calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
\$ 3,556,273	\$ (3,736,125)	\$ (9,092,337)

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://eff.wi.gov/about-effreports-and-studies/financial-reports-and-statements>.

At December 31, 2021, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

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 active construction projects as of December 31, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$291 million as of December 31, 2021.

Joint Ventures

The City of River Falls and other municipalities jointly contract with the West Central Wisconsin Biosolids Facility Commission (facility) for the treatment, storage, disposal, recycling and/or sale of biosolids (sludge). Communities provided capital contributions to the facility as follows:

Hudson	41.39 %
River Falls	18.59 %
New Richmond	8.99 %
Prescott	8.93 %
Ellsworth	6.69 %
Anery	6.35 %
Baldwin	4.52 %
Spring Valley	2.00 %
Somerset	1.31 %
Roberts	1.24 %

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the facility. The City believes that the facility will continue to provide services in the future at similar rates.

Debt is being repaid with resources of the sewer utility and is secured by revenues of the utility. The transactions of the facility are not reflected in these financial statements. Facility financial information as of December 31, 2021 is available from the facility office.

City of River Falls
 Notes to Financial Statements
 December 31, 2021

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The City's other postemployment benefit (OPEB) plan provides group health insurance coverage for all active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an OPEB for the retirees, commonly referred to as an implicit rate subsidy. The City administers its single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City's OPEB plan provides healthcare benefits for retirees and their dependents. The benefit terms are established through personnel policy guidelines and may be amended by the action of the governing body. Retired plan members are required to pay 100% of the premium. Administrative costs of the plan are financed by the City.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	3
Active plan members	<u>40</u>
Total	<u>47</u>

Total OPEB Liability

The City's total OPEB liability of \$855,552 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

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

Inflation

2.70%
 3.20% average, including inflation

Healthcare cost trend rates

8.00% for 2022, decreasing 0.50% per year to an ultimate rate of 4.50% for 2029 and later years

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.
 Mortality rates were based on various SOA Pub-2010 Headcount Weighted Mortality Tables, using Scale MP-2021.

City of River Falls
 Notes to Financial Statements
 December 31, 2021

Some actuarial assumptions used in the December 31, 2021 valuation were based on the most recent WRS tables as of December 31, 2020.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balances at December 31, 2020	\$ 896,441
Changes for the year:	
Service cost	48,680
Interest	19,416
Differences between expected and actual experience	(85,224)
Changes in assumptions or other inputs	35,071
Benefit payments	(58,832)
Net changes	<u>(40,889)</u>
	<u>\$ 855,552</u>

Balances at December 31, 2021

Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.25% in 2021.

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 (1.25%) or 1-percentage-point higher (3.25%), than the current discount rate:

	<u>1% Decrease</u>	<u>Discount Rate</u>	<u>1% Increase</u>
Total OPEB liability	\$ 912,125	\$ 855,552	\$ 801,244

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 (7.0%) decreasing to 3.5% or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>Healthcare Cost Trend Rates</u>
Total OPEB liability	<u>\$ 767,553</u>

City of River Falls
 Notes to Financial Statements
 December 31, 2021

City of River Falls
 Notes to Financial Statements
 December 31, 2021

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

For the year ended December 31, 2021, the City recognized OPEB expense of \$95,904. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 70,329	\$ 80,459
Changes of assumptions or other inputs	126,319	10,500
Total	\$ 196,648	\$ 90,959
Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:		
	<u>Year Ended December 31:</u>	<u>Amount</u>
		\$ 27,808
		27,808
		27,814
		22,132
		7,290
		(7,163)
		\$ 105,689
		Total

Related Organizations

Housing Authority

The City's officials are responsible for appointing the board members of the River Falls Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City through its various Tax Incremental Financing Districts (TID) has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. Aggregate incentive payments for the year ended December 31, 2021 were \$570,000. Anticipated future incentive payments based on such development agreements as of year end totaled \$8,545,000. In addition to the tax abatement arrangements described above, the City has several development agreements where the City will reimburse the developer for infrastructure costs.

Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 87, *Leases*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans, an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*
- Statement No. 99, *Omnibus 2022*
- Statement No. 100, *Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62*
- Statement No. 101, *Compensated Absences*

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

Nonexchange Financial Guarantee

In 2012, the City entered into a loan guarantee agreement with the River Falls Baseball Council, a legally separate organization. The loan was used for improvements at the baseball park. In the event that the River Falls Baseball Council would be unable to make the loan payments, all rights, title and interest River Falls Baseball Council has in the related real property and improvements would be revoked. The City's exposure at December 31, 2021 is limited to a maximum of \$161,967 in principal plus interest.

Tax Incremental Financing Districts

The City currently maintains separate special revenue funds to account for its Tax Increment Financing Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. 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 municipality to collect tax increments until the net project cost has been fully recovered, or until either 23 or 27 years after the creation date, whichever occurs first. Upon termination, the incremental tax base created by each TID will become part of the City's regular tax base. Any surplus remaining in the TID districts at the time of termination will be allocated among all affected taxing jurisdictions.

	<u>Creation Date</u>	<u>End of Expenditure Period</u>	<u>Maximum Life of District</u>
TID No. 5	1994	2016	2024
TID No. 6	2005	2027	2032
TID No. 8	2010	2032	2037
TID No. 9	2011	2033	2038
TID No. 10	2014	2029	2034
TID No. 11	2015	2030	2036
TID No. 12	2016	2031	2037
TID No. 13	2018	2033	2039
TID No. 14	2018	2040	2046
TID No. 15	2020	2042	2048
TID No. 16	2020	2035	2041
TID No. 17	2021	2043	2049
TID No. 18	2021	2043	2049

REQUIRED SUPPLEMENTARY INFORMATION

City of River Falls

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual	
Revenues				
Taxes	\$ 4,857,183	\$ 4,857,183	\$ 4,839,321	\$ (17,862)
Special assessments	3,676,913	3,676,913	3,729,140	52,227
Intergovernmental	330,350	330,350	387,431	57,081
Licenses and permits	170,000	170,000	153,917	(16,083)
Fines, forfeitures and penalties	255,475	255,475	343,207	87,732
Public charges for services	25,000	25,000	14,263	(10,737)
Intergovernmental charges for services	128,723	149,153	65,221	(83,932)
Investment income	66,953	66,953	84,205	17,252
Miscellaneous				
Total revenues	9,510,597	9,531,027	9,616,825	85,798
Expenditures				
Current:				
General government	2,062,282	2,062,282	1,942,827	119,455
Public safety	4,166,533	4,166,533	3,975,679	190,854
Public works	2,415,667	2,289,667	2,020,599	269,068
Health services	2,740	2,740	1,902	838
Leisure activities	900,288	918,288	912,881	5,407
Conservation and development	910,992	1,018,992	1,013,996	4,996
Debt service:				
Principal	251,303	251,291	12	
Interest and fiscal charges	44,866	44,866	44,981	(115)
Total expenditures	10,754,671	10,754,671	10,164,156	590,515
Excess (deficiency) of revenues over (under) expenditures	(1,244,074)	(1,223,644)	(547,331)	676,313
Other Financing Sources (Uses)				
Transfers in	1,950,270	1,929,840	1,863,109	(66,731)
Transfers out	(721,196)	(721,196)	(721,196)	-
Property sales	15,000	15,000	16,425	1,425
Total other financing sources (uses)	1,244,074	1,223,644	1,158,338	(65,306)
Net change in fund balance				
Fund Balance, Beginning	12,123,430	12,123,430	12,123,430	
Fund Balance, Ending	\$ 12,123,430	\$ 12,123,430	\$ 12,734,437	\$ 611,007

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City of River Falls

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Tax Increment District #10
Year Ended December 31, 2021

	Budgeted Amounts		Variance with Final Budget	
	Original	Final	Actual	
Revenues				
Taxes	\$ 416,000	\$ 448,464	\$ 448,464	\$ 32,464
Investment income	-	-	-	\$ 135
Miscellaneous	84,000	86,073	86,073	2,073
Total revenues	500,000	534,672	534,672	34,672
Expenditures				
Current:				
Conservation and development	4,000	5,242	5,242	(1,242)
Capital outlay	64,000	66,633	66,633	(2,633)
Debt service:				
Principal retirement	240,000	240,000	240,000	-
Interest and fiscal charges	124,476	124,492	124,492	(16)
Total expenditures	432,476	436,367	436,367	(3,891)
Excess (deficiency) of revenues over (under) expenditures	67,524	98,305	98,305	30,781
Other Financing Uses				
Transfers to other funds	(29,123)	(29,123)	(29,123)	-
Total other financing uses	(29,123)	(29,123)	(29,123)	-
Net change in fund balance	38,401	69,182	69,182	30,781
Fund Balance (Deficit), Beginning	(3,354,140)	(3,354,140)	(3,354,140)	-
Fund Balance (Deficit), Ending	\$ (3,315,739)	\$ (3,284,958)	\$ (3,284,958)	\$ 30,781

See notes to required supplementary information
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See notes to required supplementary information
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City of River Falls
 Schedule of Changes in Total OPEB Liability and Related Ratios
 Year Ended December 31, 2021

	2021	2020	Year End Date	2019	2018	2017
Total OPEB Liability						
Service cost	\$ 48,680	\$ 37,288	\$ 36,854	\$ 39,517	\$ 34,576	\$ 21,789
Interest	19,416	26,116	28,328	25,542	(17,294)	27,203
Differences between expected and actual experience	(85,224)	37,051	58,906	44,979	(24,500)	65,960
Changes in benefit payments	35,071	64,152	(45,877)	(41,071)	(41,071)	12/31/20
Net change in total OPEB liability	(40,889)	101,161	117,206	(22,612)	108,457	12/31/19
Total OPEB Liability, Beginning	<u>856,441</u>	<u>795,280</u>	<u>678,074</u>	<u>700,686</u>	<u>592,229</u>	12/31/18
Total OPEB Liability, Ending	<u>\$ 855,532</u>	<u>\$ 886,441</u>	<u>\$ 795,280</u>	<u>\$ 678,074</u>	<u>\$ 700,686</u>	12/31/17
Covered employee payroll	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135	\$ 4,692,960	12/31/16
Total OPEB liability as a percentage of covered employee payroll	26.05%	23.67%	20.03%	14.00%	14.93%	12/31/15

City of River Falls
 Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability) -
 Wisconsin Retirement System (WRS)
 Year Ended December 31, 2021

	WRS Year End Date	City's Proportionate Share of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)
	(Measurement Date)	Asset (Liability)				
Total OPEB Liability	12/31/20	0.05384370 %	\$ 3,736,125	\$ 8,662,506	43.13 %	105.26 %
Service cost	12/31/19	0.05223217 %	1,909,915	8,452,293	22.60 %	102.96 %
Interest	12/31/18	0.0570718 %	(2,028,136)	8,119,664	24.98 %	96.45 %
Differences between expected and actual experience	12/31/17	0.05357074 %	1,590,578	7,708,241	20.63 %	102.93 %
Changes in benefit payments	12/31/16	0.05015113 %	(413,365)	6,946,650	5.95 %	99.12 %
Net change in total OPEB liability	12/31/15	0.04847920 %	(787,778)	6,407,948	12.29 %	98.20 %
Total OPEB Liability, Beginning	<u>856,441</u>	<u>795,280</u>	<u>678,074</u>	<u>700,686</u>	<u>592,229</u>	12/31/14
Total OPEB Liability, Ending	<u>\$ 855,532</u>	<u>\$ 886,441</u>	<u>\$ 795,280</u>	<u>\$ 678,074</u>	<u>\$ 700,686</u>	12/31/13
Covered employee payroll	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135	\$ 4,692,960	12/31/12
Total OPEB liability as a percentage of covered employee payroll	26.05%	23.67%	20.03%	14.00%	14.93%	12/31/11

Schedule of Employer Contributions Wisconsin Retirement System (WRS)
 Year Ended December 31, 2021

	City Year End Date	Contributions in Relation to the Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions
	(Measurement Date)	(Excess)	(Deficiency)	(Excess)	(Deficiency)
Total OPEB Liability	12/31/21	\$ 614,669	\$ 614,669	\$ 614,669	\$ 614,669
Service cost	12/31/20	680,059	680,059	680,059	680,059
Interest	12/31/19	630,482	630,482	630,482	630,482
Differences between expected and actual experience	12/31/18	614,274	614,274	614,274	614,274
Changes in benefit payments	12/31/17	595,057	595,057	595,057	595,057
Net change in total OPEB liability	12/31/16	515,383	515,383	515,383	515,383
Total OPEB Liability, Beginning	<u>856,441</u>	<u>795,280</u>	<u>678,074</u>	<u>700,686</u>	12/31/15
Total OPEB Liability, Ending	<u>\$ 855,532</u>	<u>\$ 886,441</u>	<u>\$ 795,280</u>	<u>\$ 678,074</u>	12/31/14
Covered employee payroll	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135	\$ 4,692,960
Total OPEB liability as a percentage of covered employee payroll	26.05%	23.67%	20.03%	14.00%	14.93%

City of River Falls

Notes to Required Supplementary Information
Year Ended December 31, 2021

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 include any amendments made. The City administrator may authorize transfers of budgeted amounts within a fund and function. Transfers between funds or functions and changes to the overall budget must be approved by a two-thirds action of the City Council.

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

Other Post Employment Benefit (OPEB) Plan

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

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

Accumulation of assets. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Changes in benefit terms and assumptions. There were no changes in the benefit terms. The discount rate changed from 2.12% in 2020 to 2.25% in 2021.

Wisconsin Retirement System

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 the Wisconsin Retirement System.

Changes in assumptions. No significant change in assumptions were noted from the prior year.

S U P P L E M E N T A R Y I N F O R M A T I O N

City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
 General Fund
 Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Taxes			
General property taxes	\$ 4,766,883	\$ 4,758,618	\$ (8,265)
Mobile home taxes	22,000	22,000	(2,432)
Payments in lieu of taxes, housing authority	7,800	7,800	(7,674)
Payment in lieu of taxes, other	60,000	60,000	(1,067)
Interest and penalties on taxes	500	500	1,576
Total taxes	4,857,183	4,857,183	(17,862)
Special Assessments			
Special assessments	-	-	120
Total special assessments	-	-	120
Intergovernmental			
State shared revenues	2,121,913	2,121,913	14,685
Fire insurance from state	40,000	40,000	52,453
State aid, computers	10,000	10,000	10,754
State aid, other public safety	-	-	24,206
State aid, local road improvement program	160,000	160,000	160,000
State aid, municipal services	270,000	270,000	424,842
Municipal grants	300,000	300,000	300,636
School district grant	125,000	125,000	127,492
Total intergovernmental	3,676,913	3,676,913	3,729,140
	52,227		
Licenses and Permits			
Liquor and malt beverage licenses	18,000	18,000	28,926
Operators' license	6,000	6,000	5,160
Cigarette licenses	1,500	1,500	2,013
Cable television franchise fees	130,150	130,150	113,990
Business and occupational licenses	1,000	1,000	4,484
Dog licenses	4,000	4,000	4,614
Housing inspection licenses	500	500	410
Building permits	2,000	2,000	1,175
Sign permits	2,500	2,500	1,512
Zoning permits	3,000	3,000	5,245
Inspectors red seal	1,700	1,700	808
Total licenses and permits	330,350	330,350	387,431
	57,081		
Fines, Forfeitures and Penalties			
Court penalties and costs	50,000	50,000	61,546
Parking violations	90,000	90,000	67,052
Court costs	30,000	30,000	25,319
Total fines, forfeitures and penalties	170,000	170,000	153,917
	(16,083)		

City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
 General Fund
 Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>
Public Charges for Services			
Clerk's fees	\$ 17,000	\$ 17,000	\$ 9,000
Zoning administration fees	1,000	1,000	1,200
Public review fees	10,000	10,000	10,000
Police department fees	10,000	10,000	8,000
Police towing	8,000	8,000	6,075
Police department fees	15,000	15,000	15,984
Fire inspection fees	1,500	1,500	1,150
Highway maintenance and construction	10,000	10,000	22,712
Weights and measures charges	4,475	4,475	4,550
Swimming pool	45,000	45,000	28,845
Parks	58,000	58,000	62,327
Recreation programs	65,000	65,000	85,475
Forestry fees	-	-	49,301
Other public charges for services	1,500	1,500	3,285
Total public charges for services	255,475	255,475	343,207
	87,732		
Intergovernmental Charges for Services			
Interdepartmental sales	25,000	25,000	14,263
Total intergovernmental charges for services	25,000	25,000	14,263
	(10,737)		
Investment Income			
Interest, interfund advances	53,723	74,153	74,153
Interest on temporary investments	75,000	75,000	(8,932)
Total investment income	128,723	149,153	(83,932)
	-		
Miscellaneous			
Rent of municipal buildings	2,200	2,200	1,200
Donations	-	-	34,948
Miscellaneous	64,753	64,753	48,057
Total miscellaneous	66,953	66,953	84,205
	17,232		
Other Financing Sources			
Transfers from other funds	1,950,270	1,929,840	1,863,109
Property sales	15,000	15,000	16,125
Total other financing sources	1,965,270	1,944,840	1,879,534
	(65,306)		
Total revenues and other financing sources	\$ 11,475,867	\$ 11,475,867	\$ 11,496,359
	20,492		

City of River Falls

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -
 General Fund
 Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
General Government				
Council	\$ 367,767	\$ 367,767	\$ 226,958	140,809
Municipal court	132,279	132,279	125,472	6,807
City administrator	606,411	606,141	(567,049)	(50,908)
Personnel	407,015	407,015	379,649	27,366
Clerk	168,336	168,336	185,625	(17,289)
Finance	326,444	326,444	310,541	15,903
Legal counseling	54,300	54,300	57,533	(3,233)
Total general government	<u>2,062,282</u>	<u>2,062,282</u>	<u>1,942,827</u>	<u>119,455</u>
Public Safety				
Police	3,498,044	3,498,044	3,429,276	68,768
Fire department	669,389	668,489	546,403	122,086
Total public safety	<u>4,166,533</u>	<u>4,166,533</u>	<u>3,975,679</u>	<u>190,854</u>
Public Works				
Garage	384,897	384,897	350,432	34,465
Street maintenance	1,755,385	1,629,885	1,378,703	251,182
Engineer	274,885	274,885	291,464	(16,579)
Total public works	<u>2,415,667</u>	<u>2,289,667</u>	<u>2,020,599</u>	<u>269,068</u>
Health Services				
Animal control	2,740	2,740	1,902	838
Total health services	<u>2,740</u>	<u>2,740</u>	<u>1,902</u>	<u>838</u>
Leisure Activities				
Recreation	152,785	152,785	139,417	13,368
Swimming	122,638	122,638	95,954	26,684
Parks	622,665	642,865	677,510	(34,645)
Total leisure activities	<u>900,288</u>	<u>918,288</u>	<u>912,881</u>	<u>5,407</u>
Conservation and Development				
Forestry	73,855	181,855	177,698	4,157
Community development	837,377	837,137	836,298	839
Total conservation and development	<u>910,992</u>	<u>1,018,992</u>	<u>1,013,996</u>	<u>4,996</u>
Debt Service				
Principal on notes payable, fire	57,500	57,500	57,500	-
Principal retirements	193,803	193,803	193,791	12
Interest on notes payable, fire	30,248	30,248	30,243	5
Interest and fiscal charges	14,558	14,558	14,613	(55)
Paying agent fees	60	60	125	(65)
Total debt service	<u>296,169</u>	<u>296,169</u>	<u>296,272</u>	<u>(103)</u>

City of River Falls

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -
 General Fund
 Year Ended December 31, 2021

	<u>Budgeted Amounts</u>			<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Other Financing Uses				
Transfers to other funds	\$ 721,196	\$ 721,196	\$ 721,196	\$ 721,196
Total other financing uses	<u>721,196</u>	<u>721,196</u>	<u>721,196</u>	<u>721,196</u>
Total expenditures and other financing uses				
	<u>\$ 11,475,867</u>	<u>\$ 11,475,867</u>	<u>\$ 10,885,352</u>	<u>\$ 590,515</u>

City of River Falls
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds					Special Revenue Funds						
	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee	Park Acquisition Fund	Tax Increment District #5	Tax Increment District #6	Tax Increment District #8	Tax Increment District #9	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13
Assets												
Cash and investments Receivables:	\$ 65,027	\$ 84	\$ 27,281	\$ 1,764,741	\$ 1,125	\$ 28	\$ 37,625	\$ 88,495	\$ 19,510	\$ 23	\$ 83,078	\$ 257,522
Taxes	-	-	-	-	-	467,421	180,160	70,359	84,106	6,690	38,373	68,037
Accounts Accrued interest	-	97,012	-	-	9,316	-	-	-	-	-	-	-
Loans	-	-	-	-	3,584	-	-	-	-	-	-	-
Prepaid items and inventories	-	-	-	-	-	-	-	-	-	-	-	-
Due from other governments Advances to other funds	-	137	-	-	-	-	-	-	-	-	-	-
Total assets	<u>\$ 65,027</u>	<u>\$ 97,233</u>	<u>\$ 27,281</u>	<u>\$ 3,277,641</u>	<u>\$ 1,125</u>	<u>\$ 467,449</u>	<u>\$ 217,785</u>	<u>\$ 158,854</u>	<u>\$ 103,616</u>	<u>\$ 6,713</u>	<u>\$ 121,451</u>	<u>\$ 325,559</u>
Liabilities, Deferred Inflows of Resources and Fund Balances												
Liabilities												
Accounts payable	\$ 959	\$ 33	\$ 14,832	\$ 14,817	\$ -	\$ 1,440	\$ -	\$ -	\$ -	\$ 20,035	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	57,435	-	-	-	9,126	-	-	-	114,867	-	-
Due to other funds	-	-	-	-	-	917,045	118,157	38,1709	164,612	629,726	-	-
Advances from other funds	-	-	-	-	-	-	-	-	-	-	-	-
Unearned revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>959</u>	<u>57,468</u>	<u>14,832</u>	<u>14,817</u>	<u>-</u>	<u>10,566</u>	<u>917,045</u>	<u>118,157</u>	<u>381,709</u>	<u>299,514</u>	<u>629,726</u>	<u>-</u>
Deferred Inflows of Resources												
Unearned revenues	-	137	2,250	-	-	467,421	180,160	70,359	84,106	6,690	38,373	68,037
Unavailable revenues	-	-	-	-	-	-	-	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>137</u>	<u>2,250</u>	<u>-</u>	<u>-</u>	<u>467,421</u>	<u>180,160</u>	<u>70,359</u>	<u>84,106</u>	<u>6,690</u>	<u>38,373</u>	<u>68,037</u>
Fund Balances (Deficit)												
Nonspendable	-	-	-	-	-	-	-	-	-	-	-	257,522
Restricted	64,068	39,628	10,199	3,262,824	-	(10,538)	(879,420)	(29,662)	(362,199)	(299,491)	(546,648)	-
Committed	-	-	-	-	-	-	-	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-	-	-	-	-	-	-	-
Total fund balances	<u>64,068</u>	<u>39,628</u>	<u>10,199</u>	<u>3,262,824</u>	<u>-</u>	<u>(10,538)</u>	<u>(879,420)</u>	<u>(29,662)</u>	<u>(362,199)</u>	<u>(299,491)</u>	<u>(546,648)</u>	<u>257,522</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,027</u>	<u>\$ 97,233</u>	<u>\$ 27,281</u>	<u>\$ 3,277,641</u>	<u>\$ 1,125</u>	<u>\$ 467,449</u>	<u>\$ 217,785</u>	<u>\$ 158,854</u>	<u>\$ 103,616</u>	<u>\$ 6,713</u>	<u>\$ 121,451</u>	<u>\$ 325,559</u>

City of River Falls
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds					Special Revenue Funds					
	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18	Commercial Revolving Loan Fund	Part Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve	Library Trust Fund
Assets											
Cash and investments Receivables:	\$ 67	\$ 580,709	\$ 787,034	\$ 48	\$ 2	\$ 264,138	\$ 330	\$ 437,448	\$ 25,871	\$ 462,408	\$ 155,149
Taxes	93,613	-	-	-	-	850,000	-	-	99,029	-	-
Accounts Accrued interest	-	-	-	-	-	3,168	-	-	-	-	-
Loans	-	-	-	-	-	-	158,592	-	-	-	423,386
Prepaid items and inventories Due from other governments Advances to other funds	-	-	-	-	-	4,910	-	-	-	-	-
Total assets	<u>\$ 93,680</u>	<u>\$ 580,709</u>	<u>\$ 787,034</u>	<u>\$ 48</u>	<u>\$ 2</u>	<u>\$ 1,122,216</u>	<u>\$ 158,922</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ 885,794</u>	<u>\$ 155,149</u>
Liabilities, Deferred Inflows of Resources and Fund Balances											
Liabilities											
Accounts payable Accrued liabilities Deposits Due to other funds Advances from other funds Unearned revenues	\$ -	\$ 3,463	\$ -	\$ 108	\$ 342	\$ 10,623	\$ -	\$ -	\$ -	\$ 3,473	\$ -
	4,690	-	-	-	-	9,942	-	-	-	-	-
	243,305	-	800,000	12,969	16,805	-	66,771	-	-	26,669	-
	-	2,500	-	504,571	-	-	-	-	-	-	-
Total liabilities	<u>247,995</u>	<u>605,963</u>	<u>800,000</u>	<u>13,077</u>	<u>521,718</u>	<u>20,565</u>	<u>66,771</u>	<u>-</u>	<u>-</u>	<u>30,142</u>	<u>-</u>
Deferred Inflows of Resources											
Unearned revenues Unavailable revenues	93,613	-	-	-	-	850,000	<u>158,592</u>	-	-	-	423,386
Total deferred inflows of resources	<u>93,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,000</u>	<u>158,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,386</u>
Fund Balances (Deficit)											
Nonspendable Restricted Committed Unassigned (deficit)	-	-	-	-	-	4,910	<u>437,448</u>	<u>124,900</u>	<u>-</u>	<u>462,408</u>	<u>155,149</u>
	-	-	-	-	-	246,741	-	-	-	-	-
	(247,928)	(25,254)	(12,966)	(13,029)	(521,716)	-	(66,441)	-	-	(30,142)	-
Total fund balances (deficit)	<u>(247,928)</u>	<u>(25,254)</u>	<u>(12,966)</u>	<u>(13,029)</u>	<u>(521,716)</u>	<u>251,651</u>	<u>(66,441)</u>	<u>437,448</u>	<u>124,900</u>	<u>(30,142)</u>	<u>462,408</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 93,680</u>	<u>\$ 580,709</u>	<u>\$ 787,034</u>	<u>\$ 48</u>	<u>\$ 2</u>	<u>\$ 1,122,216</u>	<u>\$ 158,922</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ -</u>	<u>\$ 885,794</u>

	Special Revenue Funds					Special Revenue Funds					
	Library	Commercial Revolving Loan Fund	Part Impact Fees	Library Impact Fees	Fire Impact Fees	Library	Commercial Revolving Loan Fund	Part Impact Fees	Library Impact Fees	Fire Impact Fees	
Assets											
Cash and investments Receivables:	\$ 67	\$ 580,709	\$ 787,034	\$ 48	\$ 2	\$ 264,138	\$ 330	\$ 437,448	\$ 25,871	\$ 462,408	\$ 155,149
Taxes	93,613	-	-	-	-	850,000	-	-	99,029	-	-
Accounts Accrued interest	-	-	-	-	-	3,168	-	-	-	-	-
Loans	-	-	-	-	-	-	158,592	-	-	-	423,386
Prepaid items and inventories Due from other governments Advances to other funds	-	-	-	-	-	4,910	-	-	-	-	-
Total assets	<u>\$ 93,680</u>	<u>\$ 580,709</u>	<u>\$ 787,034</u>	<u>\$ 48</u>	<u>\$ 2</u>	<u>\$ 1,122,216</u>	<u>\$ 158,922</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ -</u>	<u>\$ 885,794</u>
Liabilities, Deferred Inflows of Resources and Fund Balances											
Liabilities											
Accounts payable Accrued liabilities Deposits Due to other funds Advances from other funds Unearned revenues	\$ -	\$ 3,463	\$ -	\$ 108	\$ 342	\$ 10,623	\$ -	\$ -	\$ -	\$ 3,473	\$ -
	4,690	-	-	-	-	9,942	-	-	-	-	-
	243,305	-	800,000	12,969	16,805	-	66,771	-	-	26,669	-
	-	2,500	-	504,571	-	-	-	-	-	-	-
Total liabilities	<u>247,995</u>	<u>605,963</u>	<u>800,000</u>	<u>13,077</u>	<u>521,718</u>	<u>20,565</u>	<u>66,771</u>	<u>-</u>	<u>-</u>	<u>30,142</u>	<u>-</u>
Deferred Inflows of Resources											
Unearned revenues Unavailable revenues	93,613	-	-	-	-	850,000	<u>158,592</u>	-	-	-	423,386
Total deferred inflows of resources	<u>93,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>850,000</u>	<u>158,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,386</u>
Fund Balances (Deficit)											
Nonspendable Restricted Committed Unassigned (deficit)	-	-	-	-	-	4,910	<u>437,448</u>	<u>124,900</u>	<u>-</u>	<u>462,408</u>	<u>155,149</u>
	-	-	-	-	-	246,741	-	-	-	-	-
	(247,928)	(25,254)	(12,966)	(13,029)	(521,716)	-	(66,441)	-	-	(30,142)	-
Total fund balances (deficit)	<u>(247,928)</u>	<u>(25,254)</u>	<u>(12,966)</u>	<u>(13,029)</u>	<u>(521,716)</u>	<u>251,651</u>	<u>(66,441)</u>	<u>437,448</u>	<u>124,900</u>	<u>(30,142)</u>	<u>462,408</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 93,680</u>	<u>\$ 580,709</u>	<u>\$ 787,034</u>	<u>\$ 48</u>	<u>\$ 2</u>	<u>\$ 1,122,216</u>	<u>\$ 158,922</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ -</u>	<u>\$ 885,794</u>

City of River Falls
 Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund			Total Nonmajor Governmental Funds
	Tourism and Economic Development	American Rescue Plan Act	Debt Service Notes	Debt Service Bonds	Debt Service	Bonds	Capital Equipment	Capital Projects Fund		
Assets										
Cash and investments	\$ 287,577	\$ 839,018	\$ 16,333	\$ 17,578	\$ 1,028,623					\$ 7,246,872
Receivables:										
Taxes	2,500	-	572,318	495,336	148,495					3,077,408
Accounts	39,504	-	-	-	-					248,029
Accrued interest	-	-	-	-	-					3,584
Loans	-	-	-	-	-					581,978
Prepaid items and inventories	-	-	-	-	-					4,910
Due from other governments	-	-	-	-	-					137
Advances to other funds	-	-	-	-	-					1,500,000
Total assets	<u>\$ 329,581</u>	<u>\$ 839,018</u>	<u>\$ 588,651</u>	<u>\$ 512,914</u>	<u>\$ 1,177,118</u>					<u>\$ 12,662,918</u>
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -		\$ 70,125
Accrued liabilities	-	-	-	-	-	-	-	-		9,942
Deposits	-	-	-	203	37,441					4,690
Due to other funds	-	-	-	-	-					585,591
Advances from other funds	1,000,000	-	838,761	-	-					5,115,820
Unearned revenues	-	-	838,761	203	37,441					841,261
Total liabilities	<u>1,000,000</u>	<u>839,018</u>	<u>838,761</u>	<u>203</u>	<u>37,441</u>					<u>6,627,429</u>
Deferred Inflows of Resources										
Unearned revenues	2,500	-	572,318	495,336	148,495					3,077,408
Unavailable revenues	-	-	-	-	-					584,365
Total deferred inflows of resources	<u>2,500</u>	<u>-</u>	<u>572,318</u>	<u>495,336</u>	<u>148,495</u>					<u>3,661,773</u>
Fund Balances (Deficit)										
Nonspendable	-	-	16,130	-	-					4,910
Restricted	-	-	257	-	-					5,077,017
Committed	(672,919)	-	-	-	(19,863)					1,030,005
Unassigned (deficit)	(672,919)	-	-	-	(19,863)					(3,738,216)
Total fund balances	<u>(672,919)</u>	<u>-</u>	<u>257</u>	<u>16,130</u>	<u>(19,863)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,373,716</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 329,581</u>	<u>\$ 839,018</u>	<u>\$ 588,651</u>	<u>\$ 512,914</u>	<u>\$ 1,177,118</u>					<u>\$ 12,662,918</u>

City of River Falls
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds					Special Revenue Funds						
	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee	Park Acquisition Fund	Tax Increment District #5	Tax Increment District #6	Tax Increment District #8	Tax Increment District #9	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13
Revenues												
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 497,477	\$ 197,665	\$ 78,364	\$ 81,093	\$ 18,380	\$ 44,111	\$ 216,880
Special assessments												
Intergovernmental	-	-	219,337	-	-	47,507	511	-	5,593	891	-	-
Public charges for services	950,874	90	-	96,238	(8,300)	-	132	17	39	4	-	-
Investment income	10	-	21	-	-	5,060	-	-	8,110	-	37	111
Miscellaneous	-	-	-	-	-	550,716	198,193	78,403	94,800	19,271	44,148	216,991
Total revenues	10	950,964	219,358	87,938	-							
Expenditures												
Current:												
Public safety	1,426	929,116	214,624	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-	-
Leisure activities	-	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	35,190	-	-	11,886	650	773	70,649	26,515	945	650
Capital outlay	-	-	675	-	-	185,000	130,000	-	69,928	-	-	-
Debt service:	-	-	-	-	-	69,198	33,603	-	3,258	-	-	-
Principal retirement	-	-	-	-	-	266,084	164,253	773	143,835	26,760	945	650
Interest and fiscal charges	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures	1,426	929,116	215,299	35,190	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues over expenditures	(1,416)	21,848	4,059	52,748	-	-	-	-	-	-	-	-
Other Financing Sources (Uses)												
Transfers from other funds	-	-	17,175	-	-	(228,936)	(6,353)	(2,409)	73,155	-	(193)	(203)
Transfer to other funds	-	(28,205)	(8,649)	(2,562)	-	-	-	-	(5,353)	(5,443)	-	-
Total other financing sources (uses)	-	(28,205)	8,526	(2,562)	-	(228,936)	(6,353)	(2,409)	67,802	(5,443)	(193)	(203)
Net change in fund balances	(1,416)	(6,357)	12,585	50,246	-	55,156	27,587	75,221	18,767	(12,932)	43,010	216,138
Fund Balances (Deficit), Beginning	65,484	45,985	(12,386)	3,212,578	1,125	(65,694)	(907,007)	(104,883)	(380,966)	(286,559)	(589,658)	41,334
Fund Balances (Deficit), Ending	\$ 64,068	\$ 39,628	\$ 10,199	\$ 3,262,824	\$ 1,125	\$ (10,538)	\$ (379,420)	\$ (29,662)	\$ (362,199)	\$ (299,491)	\$ (546,648)	\$ 257,522

City of River Falls
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds						Special Revenue Funds					
	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18		Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve	Library Trust Fund
Revenues												
Taxes	\$ 32,749	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 855,000	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	366,243	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-
Public charges for services	-	-	-	-	-	-	3,491	56,293	39,176	32,523	-	-
Investment income	47	960	1,283	-	-	-	618	7,827	679	-	3,605	240
Miscellaneous	-	-	-	-	-	-	7,645	58,832	-	24,915	-	30,486
Total revenues	32,796	960	1,283	-	-	-	1232,997	66,659	56,972	64,091	32,523	34,091
Expenditures												
Current:												
Public safety	-	-	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	977,876	-	-	-	-	-
Leisure activities	-	-	-	-	-	-	-	-	2,988	-	-	-
Conservation and development	650	702	1,553	13,029	17,145	504,571	-	-	-	-	-	-
Capital outlay	-	14,610	-	-	-	-	-	-	-	4,050	-	329,400
Debt service:	-	-	-	-	-	-	-	-	-	27,000	-	-
Principal retirement	-	-	-	-	-	-	-	-	-	6,083	-	-
Interest and fiscal charges	20,430	-	-	-	-	-	977,876	-	-	-	-	-
Total expenditures	21,080	15,312	1,553	13,029	521,716	-	-	-	2,988	37,133	-	329,400
Excess (deficiency) of revenues over expenditures	11,716	(14,352)	(270)	(13,029)	(521,716)	-	255,121	66,659	56,972	61,103	(4,610)	(295,309)
Other Financing Sources (Uses)												
Transfers from other funds	-	-	-	-	-	-	(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)
Transfer to other funds	(910)	-	-	-	-	-	(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)
Total other financing sources (uses)	(910)	-	-	-	-	-	(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)
Net change in fund balances	10,806	(14,352)	(270)	(13,029)	(521,716)	-	81,633	64,885	51,687	61,008	(32,146)	(295,432)
Fund Balances (Deficit), Beginning	(258,734)	(10,902)	(12,696)	-	-	-	170,018	(131,326)	385,761	63,892	2,004	757,840
Fund Balances (Deficit), Ending	\$ (247,928)	\$ (25,254)	\$ (12,966)	\$ (13,029)	\$ (521,716)	\$ (66,441)	\$ 251,651	\$ (64,441)	\$ 437,448	\$ 124,900	\$ (30,142)	\$ 462,408
												\$ 155,149

City of River Falls
 Combining Statement of Revenues, Expenditures and Changes
 in Fund Balances
 Nonmajor Governmental Funds
 Year Ended December 31, 2021

	Special Revenue Funds			Debt Service Funds			Capital Projects Fund			Total Nonmajor Governmental Funds
	Tourism and Economic Development	American Rescue Plan Act	Debt Service Notes	Debt Service Bonds	Debt Service Bonds	Capital Equipment	Capital Projects Fund	Capital Equipment	Capital Equipment	
Revenues										
Taxes	\$ 154,486	\$ -	\$ 654,526	\$ 494,761	\$ 107,442	-	-	-	-	\$ 3,432,934
Special assessments	2,500	-	-	-	-	-	-	-	-	2,500
Intergovernmental	-	-	-	-	-	-	-	-	-	640,082
Public charges for services	-	-	-	-	-	-	-	-	-	
Investment income	391	257	268	53	1,346	-	-	-	-	1,178,595
Miscellaneous	-	-	-	63,502	99,402	-	-	-	-	9,735
Total revenues	<u>157,377</u>	<u>257</u>	<u>654,794</u>	<u>558,316</u>	<u>208,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>437,186</u>
Expenditures										
Current:	-	-	-	-	-	-	-	-	-	1,426
Public safety	-	-	-	-	-	-	-	-	-	1,143,740
Public works	-	-	-	-	-	-	-	-	-	980,864
Leisure activities	-	-	-	-	-	-	-	-	-	
Conservation and development	124,736	-	-	-	-	-	-	-	-	634,473
Capital outlay	-	-	-	-	-	-	-	-	-	710,003
Debt service:	-	-	-	-	-	-	-	-	-	
Principal retirement	-	-	-	590,000	347,870	-	-	-	-	1,349,798
Interest and fiscal charges	-	-	-	218,689	181,601	-	-	-	-	532,862
Total expenditures	<u>124,736</u>	<u>-</u>	<u>808,689</u>	<u>529,471</u>	<u>185,852</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,353,166</u>
Excess (deficiency) of revenues over expenditures	<u>32,641</u>	<u>257</u>	<u>(153,895)</u>	<u>28,845</u>	<u>22,338</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>347,866</u>
Other Financing Sources										
(Uses)										
Transfers from other funds	13,000	-	177,687	-	-	-	-	-	-	281,017
Transfer to other funds	(51,331)	-	(24,074)	(19,258)	(8,142)	-	-	-	-	(601,579)
Total other financing sources (uses)	<u>(38,331)</u>	<u>-</u>	<u>153,613</u>	<u>(19,258)</u>	<u>(8,142)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(320,562)</u>
Net change in fund balances	(5,690)	257	(282)	9,587	14,196	-	-	-	-	27,304
Fund Balances (Deficit), Beginning	<u>(67,229)</u>	<u>-</u>	<u>16,412</u>	<u>(29,450)</u>	<u>1,014,427</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,346,412</u>
Fund Balances (Deficit), Ending	<u>\$ (67,919)</u>	<u>\$ 257</u>	<u>\$ 16,130</u>	<u>\$ (19,863)</u>	<u>\$ 1,028,623</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 2,373,716</u>

City of River Falls
 Combining Statement of Net Position
 Nonmajor Enterprise Funds
 December 31, 2021

City of River Falls
 Combining Statement of Revenues, Expenses and
 Changes in Fund Net Position
 Nonmajor Enterprise Funds
 Year Ended December 31, 2021

	Total	Nonmajor Enterprise Funds	Total	Nonmajor Enterprise Funds
	Stormwater	Ambulance	Stormwater	Ambulance
Assets				
Current assets:				
Cash and investments	\$ 714,471	\$ 151,924	\$ 866,395	
Receivables, net:				
Accounts	52,339	343,762	396,101	
Prepaid items	475	86	561	
Total current assets	<u>767,285</u>	<u>495,772</u>	<u>1,263,057</u>	
Noncurrent assets:				
Net pension asset	59,169	-	59,169	
Capital assets:				
Land				
Construction in progress	64,350	-	101,298	
Property and equipment	8,963,105	637,393	9,600,498	
Less accumulated depreciation	(2,820,941)	(539,041)	(3,359,982)	
Total noncurrent assets	<u>6,265,683</u>	<u>199,650</u>	<u>6,465,333</u>	
Total assets	<u>7,032,968</u>	<u>695,422</u>	<u>7,778,390</u>	
Deferred Outflows of Resources				
Pension related amounts				
Total deferred outflows of resources	<u>86,834</u>	<u>-</u>	<u>86,834</u>	
Liabilities				
Current liabilities:				
Accounts payable	931	600	1,531	
Customer deposits	50,000	-	50,000	
Accrued liabilities	1,648	165	1,813	
Total current liabilities	<u>52,579</u>	<u>765</u>	<u>53,344</u>	
Total liabilities	<u>52,579</u>	<u>765</u>	<u>53,344</u>	
Deferred Inflows of Resources				
Pension related amounts				
Total deferred inflows of resources	<u>111,639</u>	<u>-</u>	<u>111,639</u>	
Net Position				
Net investment in capital assets	6,206,514	199,650	6,406,164	
Restricted for pension	59,169	-	59,169	
Unrestricted	689,901	495,007	1,184,908	
Total net position	<u>\$ 6,955,584</u>	<u>\$ 694,657</u>	<u>\$ 7,650,241</u>	

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City of River Falls
 Combining Statement of Cash Flows
 Nonmajor Enterprise Funds
 For the Year Ended December 31, 2021

City of River Falls
 Combining Statement of Net Position
 Internal Service Funds
 December 31, 2021

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Received from customers	\$ 576,669	\$ 680,113	\$ 1,256,782
Paid to suppliers for goods and services	(484,324)	(604,502)	(1,088,826)
Paid to employees for services	(141,357)	(8,220)	(149,577)
Net cash flows from operating activities	<u>(49,012)</u>	<u>67,391</u>	<u>18,379</u>
Cash Flows From Investing Activities			
Investment income	1,111	839	1,950
Net cash flows from investing activities	1,111	839	1,950
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	(39,293)	(13,587)	(52,880)
Net cash flows from noncapital financing activities	<u>(39,293)</u>	<u>(13,587)</u>	<u>(52,880)</u>
Cash Flows From Capital and Related Financing Activities			
Interest paid	(2,117)	-	(2,117)
Proceeds from sale/transfer of capital assets	-	6,718	6,718
Net cash flows from capital and related financing activities	<u>(2,117)</u>	<u>6,718</u>	<u>4,601</u>
Cash and Cash Equivalents, Beginning			
Net change in cash and cash equivalents	(89,311)	61,361	(27,950)
	<u>903,782</u>	<u>90,563</u>	<u>894,346</u>
Cash and Cash Equivalents, Ending			
	<u>\$ 714,471</u>	<u>\$ 151,924</u>	<u>\$ 866,395</u>
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	\$ (189,293)	\$ (221,453)	\$ (410,746)
Nonoperating revenue	2,591	11,461	14,052
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation	178,384	26,870	205,254
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	6,777	331,330	338,107
Prepaid items	(140)	(86)	(226)
Accounts payable	(13,439)	(3,351)	(16,790)
Accrued liabilities	(114)	(77)	(191)
Due to other funds	-	(77,303)	(77,303)
Customer deposits	(15,000)	-	(15,000)
Pension related deferrals and asset liability	(18,778)	-	(18,778)
Net cash flows from operating activities	<u>\$ (49,012)</u>	<u>\$ 67,391</u>	<u>\$ 18,379</u>
Noncast Capital and Related Financing Activities			
Capital assets contributed by developers			
Capital assets contributed to the City			

	City Hall	Motor Pool	Technology
Assets			
Current assets:			
Cash and investments	\$ 145,081	\$ 446	\$ 131,090
Other receivables	1,754	-	-
Prepaid items	2,540	94	9,215
	<u>149,375</u>	<u>540</u>	<u>140,305</u>
Total current assets			
Noncurrent assets:			
Net pension asset	-	-	-
Capital assets:			
Property and equipment	-	18,075	525,268
Less accumulated depreciation	-	(10,543)	(427,130)
Total noncurrent assets			
	<u>149,375</u>	<u>8,072</u>	<u>290,358</u>
Total assets			
Deferred Outflows of Resources			
Pension related amounts	-	-	-
Total deferred outflows of resources			
Liabilities			
Current liabilities:			
Accounts payable			
Accrued liabilities			
Due to other funds			
Total current liabilities			
Deferred Inflows of Resources			
Pension related amounts			
Total liabilities			
Net Position			
Net investment in capital assets	-	7,532	98,138
Restricted for pension	-	-	51,895
Unrestricted (deficit)	-	(23,815)	89,772
	<u>140,318</u>	<u>\$ (16,283)</u>	<u>\$ 239,895</u>
Total net position			
	<u>\$ 140,318</u>	<u>\$ (16,283)</u>	<u>\$ 239,895</u>

City of River Falls

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2021

Maintenance Total

	Maintenance	Total	City Hall	Motor Pool	Technology
Operating Revenues					
Public charges for services	\$ 45,361	\$ 321,978	\$ 263,301	\$ -	\$ 38,700
	-	1,754			
	503	12,352	263,301	-	38,700
	<u>45,864</u>	<u>336,084</u>			
Operating Expenses					
Operation and maintenance	77,292	129,187	175,507	24,950	603,453
	-	543,343		3,615	49,125
		(437,673)			
	<u>77,292</u>	<u>234,857</u>	<u>175,507</u>	<u>28,565</u>	<u>652,578</u>
Nonoperating Revenues					
Investment income	123,156	570,941	87,794	(28,565)	(613,878)
	-				
	<u>123,156</u>	<u>570,941</u>	<u>87,794</u>	<u>(28,565)</u>	<u>(613,878)</u>
Total nonoperating revenues	<u>117,032</u>	<u>210,285</u>	<u>88,375</u>	<u>(28,565)</u>	<u>(613,829)</u>
Income (loss) before transfers					
Transfers					
Transfers from other funds			136,240	21,453	695,310
Transfers to other funds			(228,852)	(1,174)	(28,620)
			(92,612)	20,279	666,650
Total transfers					
Change in net position			(4,237)	(8,286)	52,861
Net Position (Deficit), Beginning			144,555	(7,997)	186,944
Net Position (Deficit), Ending			<u>\$ 140,318</u>	<u>\$ (16,283)</u>	<u>\$ 239,805</u>
	<u>169,743</u>	<u>305,710</u>			
			105,670		
			77,292	139,187	
			(11,306)	194,969	
			<u>\$ 65,986</u>	<u>\$ 429,826</u>	

City of River Falls

**Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2021**

City of River Falls

Balance Sheet
Governmental Component Unit
December 31, 2021

City of River Falls
 Statement of Revenues, Expenditures and Changes in Fund Balance
 Governmental Component Unit
 Year Ended December 31, 2021

Electric Utility Plant
 Year Ended December 31, 2021

	Business Improvement District	Balance 11/1/2021	Additions	Retirements	Balance 12/31/2021
Revenues					
Special assessments	\$ 42,000	\$ 15,310	\$ -	\$ -	\$ 15,310
Total revenues	<u>42,000</u>	<u>43,697</u>	<u>-</u>	<u>-</u>	<u>43,697</u>
Expenditures					
Conservation and development	\$ 30,396	\$ 850,101	\$ -	\$ -	\$ 850,101
Total expenditures	<u>30,396</u>	<u>27,976</u>	<u>-</u>	<u>-</u>	<u>27,976</u>
Change in fund balance					
Fund Balance, Beginning	\$ 11,604	\$ 7,657	\$ -	\$ -	\$ 7,657
Fund Balance, Ending	<u>\$ 46,079</u>	<u>2,748</u>	<u>-</u>	<u>-</u>	<u>2,748</u>
Reconciliation of Change in Fund Balance to Change in Net Position					
Change in fund balance	\$ 11,604	\$ 25,248	\$ -	\$ -	\$ 25,248
Special assessments 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.					
Change in net position	<u>\$ 11,604</u>	<u>1,224,829</u>	<u>-</u>	<u>-</u>	<u>1,224,829</u>
		<u>36,000</u>	<u>-</u>	<u>-</u>	<u>36,000</u>
		<u>1,286,077</u>	<u>-</u>	<u>-</u>	<u>1,286,077</u>
		<u>2,678,777</u>	<u>-</u>	<u>-</u>	<u>2,678,777</u>

	Hydraulic Production	Balance 11/1/2021	Additions	Retirements	Balance 12/31/2021
Land and land rights	\$ 43,697	\$ -	\$ -	\$ -	\$ 43,697
Structures and improvements	\$ 850,101	\$ -	\$ -	\$ -	\$ 850,101
Reservoirs, dams and waterways	\$ 27,976	\$ -	\$ -	\$ -	\$ 27,976
Water wheels, turbines, and generators	\$ 7,657	\$ -	\$ -	\$ -	\$ 7,657
Accessory electric equipment	\$ 2,748	\$ -	\$ -	\$ -	\$ 2,748
Miscellaneous power equipment	\$ 2,748	\$ -	\$ -	\$ -	\$ 2,748
Total hydraulic	\$ 947,489	\$ -	\$ -	\$ -	\$ 947,489
Other Production					
Land and land rights	\$ 25,248	\$ -	\$ -	\$ -	\$ 25,248
Structures and improvements	\$ 1,224,829	\$ -	\$ -	\$ -	\$ 1,224,829
Generators	\$ 36,000	\$ -	\$ -	\$ -	\$ 36,000
Total production	\$ 1,286,077	\$ -	\$ -	\$ -	\$ 1,286,077
Transmission					
Land and land rights	\$ 2,302	\$ -	\$ -	\$ -	\$ 2,302
Station equipment	\$ 1,592,858	\$ -	\$ -	\$ -	\$ 1,592,858
Poles and fixtures	\$ 336,070	\$ -	\$ -	\$ -	\$ 336,070
Overhead conductors and devices	\$ 719,015	\$ -	\$ -	\$ -	\$ 719,015
Underground conductors and devices	\$ 28,532	\$ -	\$ -	\$ -	\$ 28,532
Total transmission	\$ 2,678,777	\$ -	\$ -	\$ -	\$ 2,678,777
Distribution					
Land and land rights	\$ 78,544	\$ -	\$ -	\$ -	\$ 78,544
Structures and improvements	\$ 1,247,826	\$ -	\$ -	\$ -	\$ 1,247,826
Station equipment	\$ 4,132,000	\$ -	\$ -	\$ -	\$ 4,132,000
Storage battery equipment	\$ 31,236	\$ -	\$ -	\$ -	\$ 31,236
Poles, towers, and fixtures	\$ 1,873,533	\$ 30,425	\$ -	\$ -	\$ 1,900,993
Overhead conductors	\$ 1,657,862	\$ 23,957	\$ -	\$ -	\$ 1,671,141
Underground conduit	\$ 1,258,920	\$ 152,402	\$ -	\$ -	\$ 1,409,352
Underground conductors	\$ 7,672,727	\$ 425,521	\$ -	\$ -	\$ 8,043,023
Transformers	\$ 2,949,806	\$ 176,085	\$ -	\$ -	\$ 3,094,055
Services	\$ 1,577,615	\$ 62,488	\$ -	\$ -	\$ 1,638,544
Meters	\$ 1,758,588	\$ 346,284	\$ -	\$ -	\$ 1,786,395
Street lighting and signal systems	\$ 1,621,575	\$ 28,458	\$ -	\$ -	\$ 1,653,980
Total distribution	\$ 25,880,232	\$ 1,245,620	\$ -	\$ -	\$ 26,672,089

City of River Falls
Electric Utility Plant
Year Ended December 31, 2021

City of River Falls
Electric Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
General				
Land and land rights	\$ 1,556	\$ -	\$ -	\$ 1,556
Structures and improvements	632,828	-	-	692,828
Office furniture and equipment	40,322	-	9,433	30,889
Computer equipment	100,816	-	-	100,816
Transportation equipment	1,062,138	65,802	-	1,127,940
Tools, shop, and garage equipment	69,540	-	-	69,540
Laboratory equipment	134,759	-	-	134,759
Power operated equipment	53,755	-	-	53,755
Communication equipment	22,965	-	-	22,965
SCADA equipment	453,796	-	-	453,796
Total general	<u>2,632,475</u>	<u>65,802</u>	<u>9,433</u>	<u>2,688,844</u>
Total electric utility plant	<u>\$ 33,405,050</u>	<u>\$ 1,311,422</u>	<u>\$ 443,196</u>	<u>\$ 34,273,276</u>

	2021	2020
Operating Revenues		
Sales of electricity:		
Residential and rural	\$ 6,593,125	\$ 5,760,033
Small commercial and industrial	1,444,231	1,258,427
Large commercial and industrial	3,955,738	3,633,001
Public street and lighting	227,037	220,472
Other sales to public authorities	2,622,455	2,103,150
Total sales of electricity	<u>14,842,586</u>	<u>12,976,083</u>
Other operating revenues:		
Forfeited discounts	24,931	24,184
Miscellaneous service revenues	3,741	1,804
Rent from electric property	39,211	38,052
Other miscellaneous revenues	261,985	323,87
Total operating revenues	<u>15,172,454</u>	<u>13,363,310</u>
Operating Expenses		
Power production:		
Hydraulic power generation	273,367	325,342
Operation:		
Operating and supervision	6,814	11,750
Hydraulic	32,009	20,640
Miscellaneous		
Total hydraulic power generation	<u>312,190</u>	<u>357,732</u>
Purchased power	<u>10,149,386</u>	<u>9,082,812</u>
Total power production	<u>10,461,576</u>	<u>9,440,544</u>
Transmission		
Operation:		
Station	3,416	1,864
Overhead lines	39,771	37,226
Maintenance:		
Overhead lines	4,247	8,244
Total transmission	<u>47,34</u>	<u>47,234</u>

City of River Falls
 Electric Utility Operating Revenues and Expenses
 Years Ended December 31, 2021 and 2020

City of River Falls
 Water Utility Plant
 Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>	
Distribution:			
Operation:			
Operation supervision and engineering	\$ 165,444	\$ 128,780	
Station	83,933	50,280	
Overhead line	129,678	129,610	
Underground line	140,596	129,105	
Street lighting and signal	1,931	3,688	
Meter expenses	78,656	60,348	
Miscellaneous	237,165	134,576	
Maintenance:			
Structures	31,459	22,510	
Station equipment	20,760	10,183	
Overhead line	27,139	43,718	
Underground line	64,978	54,845	
Line transformers	15,029	15,587	
Street lighting and signal	16,239	17,070	
	1,013,007	800,310	
Total distribution			
Customer accounts:			
Meter reading	22,384	19,557	
Accounting and collecting labor	186,920	182,703	
Customer Services & informational	165,945	111,350	
	375,249	313,610	
Total customer accounts			
Sales:			
Advertising	8,715	5,765	
Administrative and General:			
Salaries	198,244	207,724	
Office supplies	1,430	2,874	
Outside services employed	20,304	27,977	
Insurance	49,778	39,022	
Employee pensions and benefits	219,451	283,330	
Miscellaneous	38,540	178,508	
Rents	62,633	65,044	
	590,380	804,299	
Total administrative and general			
Taxes	.104,102	98,958	
	12,600,463	11,510,820	
Total operation and maintenance			
Depreciation	1,146,752	1,338,170	
	13,747,215	12,848,990	
Total operating expenses			
Operating income	\$ 1,425,239	\$ 514,320	
	\$ 1,425,239	\$ 514,320	

	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2021</u>
Source of Supply				
Land and land rights	\$ 2,708	\$ -	\$ -	\$ 2,708
Wells and springs	881,451	-	-	881,451
Total source of supply	884,159			884,159
Pumping				
Structures and improvements	1,432,137	-	-	1,432,137
Other power production equipment	215,385	-	-	215,385
Electric pumping equipment	420,706	29,235	3,157	446,784
Diesel pumping equipment	29,465	-	-	29,465
Total pumping	2,097,693	29,235	3,157	2,123,771
Water Treatment				
Water treatment equipment	49,671	-	-	49,671
Transmission and Distribution				
Land and land rights	20,412	-	-	20,412
Structures and improvements	15,864	-	-	15,864
Distribution reservoirs and standpipe	869,263	-	-	869,263
Transmission and distribution main	10,297,965	36,473	561	10,333,777
Services	2,508,669	6,987	293	2,515,563
Meters	1,857,295	89,567	16,482	1,930,410
Hydrants	1,687,188	-	-	1,687,188
Other transmission and distribution plant	831,668	-	-	831,668
Total transmission and distribution plant	18,088,424	133,057	17,336	18,204,145
General				
Structures and improvements	212,455	-	-	212,455
Computers	68,761	-	-	68,761
Office furniture	10,287	-	-	10,287
Transportation equipment	58,597	-	-	58,597
Tools, shop & garage	24,854	-	-	24,854
Laboratory equipment	4,905	-	-	4,905
Power operated equipment	27,310	-	-	27,310
SCADA equipment	152,575	-	-	152,575
Total general	559,744			559,744
Total and water utility plant	\$ 21,679,691	\$ 162,292	\$ 20,493	\$ 21,821,490

City of River Falls
Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Operating Revenues		
Sales of water:		
Residential	\$ 713,673	\$ 699,979
Commercial	123,923	119,738
Mult-family	68,705	59,160
Industrial	32,371	32,076
Public authorities	83,364	72,166
Irrigation	<u>325,833</u>	<u>247,770</u>
Total metered sales	1,347,869	1,230,889
Private fire protection	68,385	63,810
Public fire protection	<u>385,348</u>	<u>376,219</u>
Total sales of water	<u>1,891,602</u>	<u>1,670,918</u>
Other operating revenues:		
Forfeited discounts	2,685	1,108
Rent from water property	131,385	124,914
Other miscellaneous revenues	<u>43,742</u>	<u>52,605</u>
Total operating revenues	<u>1,979,414</u>	<u>1,849,545</u>
Operating Expenses		
Pumping:		
Operation		
Operation supervision and engineering	139	1,376
Fuel or purchased power for pumping	84,033	73,064
Pumping labor	37,005	34,017
Maintenance:		
Structures and improvements	11,348	5,097
Power production equipment	969	5,617
Pumping equipment	<u>26,550</u>	<u>22,570</u>
Total pumping	<u>160,044</u>	<u>141,741</u>
Water treatment:		
Operation		
Operation supervision and engineering	1,753	1,713
Chemicals	34,076	26,675
Operation labor	17,306	31,632
Maintenance:		
Water treatment equipment	<u>18,723</u>	<u>20,718</u>
Total water treatment	<u>71,858</u>	<u>80,738</u>
Operating Expenses		
Transmission and distribution:		
Operation		
Operation supervision and engineering	\$ 65,434	\$ 49,530
Storage facilities	752	186
Transmission and distribution lines	69,284	62,984
Meters	33,210	18,837
Customer installations	19,550	14,984
Miscellaneous	60,302	53,173
Maintenance:		
Supervision and engineering	2,245	4,014
Structures and improvements	4,686	5,182
Reservoirs and standpipes	11,988	6,864
Mains	35,998	18,763
Services	27,026	22,909
Meters	-	183
Hydrants	5,308	18,242
Total transmission and distribution	<u>335,763</u>	<u>275,851</u>
Customer accounts:		
Meter reading		
Accounting and collecting labor		
Total customer accounts	<u>5,128</u>	<u>4,503</u>
Sales:		
Advertising	2,415	2,347
Administrative and general:		
Salaries	98,306	81,390
Office supplies	1,121	1,457
Outside services employed	3,119	2,528
Insurance	20,322	12,723
Employee pensions and benefits	87,661	93,471
Miscellaneous	2,594	4,578
Rents	32,080	30,300
Total administrative and general	<u>245,293</u>	<u>226,447</u>
Taxes	<u>21,901</u>	<u>20,593</u>
Total operation and maintenance	<u>913,815</u>	<u>818,779</u>
Depreciation	<u>476,517</u>	<u>468,907</u>
Total operating expenses	<u>1,390,332</u>	<u>1,287,686</u>
Operating income	<u>\$ 589,082</u>	<u>\$ 561,859</u>

	<u>2021</u>	<u>2020</u>
Operating Expenses		
Transmission and distribution:		
Operation		
Operation supervision and engineering	\$ 65,434	\$ 49,530
Storage facilities	752	186
Transmission and distribution lines	69,284	62,984
Meters	33,210	18,837
Customer installations	19,550	14,984
Miscellaneous	60,302	53,173
Maintenance:		
Supervision and engineering	2,245	4,014
Structures and improvements	4,686	5,182
Reservoirs and standpipes	11,988	6,864
Mains	35,998	18,763
Services	27,026	22,909
Meters	-	183
Hydrants	5,308	18,242
Total transmission and distribution	<u>335,763</u>	<u>275,851</u>
Customer accounts:		
Meter reading		
Accounting and collecting labor		
Total customer accounts	<u>5,128</u>	<u>4,503</u>
Sales:		
Advertising	2,415	2,347
Administrative and general:		
Salaries	98,306	81,390
Office supplies	1,121	1,457
Outside services employed	3,119	2,528
Insurance	20,322	12,723
Employee pensions and benefits	87,661	93,471
Miscellaneous	2,594	4,578
Rents	32,080	30,300
Total administrative and general	<u>245,293</u>	<u>226,447</u>
Taxes	<u>21,901</u>	<u>20,593</u>
Total operation and maintenance	<u>913,815</u>	<u>818,779</u>
Depreciation	<u>476,517</u>	<u>468,907</u>
Total operating expenses	<u>1,390,332</u>	<u>1,287,686</u>
Operating income	<u>\$ 589,082</u>	<u>\$ 561,859</u>

City of River Falls
Sewer Utility Plant
Year Ended December 31, 2021

City of River Falls
Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	Balance	1/1/2021	Additions	Retirements	Balance	12/31/2021
Collecting System						
Collecting mains	\$ 10,497,434	\$ 165,408	\$ 4,099	\$ 10,658,743	\$ 2,197,620	\$ 2,164,954
Interceptor mains	7,228,480	-	-	7,228,480	400,693	372,343
Force mains	141,607	-	7,454	134,153	295,762	254,017
Other collecting system equipment	-	-	-	-	161,357	162,309
Total collecting system	<u>17,867,521</u>	<u>165,408</u>	<u>11,553</u>	<u>18,021,376</u>	<u>289,806</u>	<u>235,739</u>
Collecting System Pumping						
Land and land rights	2,384	-	-	2,384	5,606	2,340
Structures and improvements	330,027	-	-	330,027	34,523	13,583
Receiving wells	40,113	-	57,161	382,952		
Electric pumping equipment	258,339	-	-	258,339		
Total collecting system pumping	<u>1,030,863</u>	<u>-</u>	<u>57,161</u>	<u>973,702</u>	<u>3,385,367</u>	<u>3,205,285</u>
Treatment and Disposal						
Land and land rights	115,238	-	-	115,238	143,363	139,094
Structures and improvements	5,685,474	293,673	1,003,033	4,976,114	39,057	29,013
Preliminary treatment equipment	643,897	233,028	105,473	771,452	163,050	157,867
Primary treatment equipment	415,996	11,178	10,530	416,644	367,088	402,464
Secondary treatment equipment	900,319	1,234,689	194,923	1,940,085	4,939	4,482
Advanced treatment equipment	108,480	137,187	-	137,187	11,369	6,393
Chlorination equipment	2,257,100	-	43,215	65,265	43,167	43,167
Sludge treatment and disposal equipment	1,000,644	-	61,876	2,195,224	13,877	25,777
Plant site piping	78,918	-	101,527	899,117		
Flow metering and monitoring equipment	-	-	75,083	3,835		
Other treatment and disposal equipment	52,434	-	52,434	-		
Total treatment and disposal	<u>11,258,500</u>	<u>1,909,755</u>	<u>1,648,094</u>	<u>11,520,161</u>	<u>785,910</u>	<u>776,383</u>
General						
Structures and improvements	2,266,595	-	-	2,266,595	85,006	305,462
Office furniture	10,287	-	-	10,287	30,964	29,187
Computers	53,107	-	-	53,107	86,222	142,245
Transportation equipment	366,007	-	-	366,007	102,018	71,719
Other general equipment	284,265	-	-	284,265		
SCADA equipment	265,830	-	-	265,830		
Total general	<u>3,226,091</u>	<u>-</u>	<u>-</u>	<u>3,226,091</u>	<u>2,515</u>	<u>2,447</u>
Intangibles						
Total sewer utility plant	<u>98,839</u>	<u>-</u>	<u>7,487</u>	<u>91,352</u>	<u>160,280</u>	<u>133,598</u>

	2021	2020
Operating Revenues		
Sales of wastewater:		
Residential	\$ 2,197,620	\$ 2,164,954
Commercial	400,693	372,343
Multi-family	295,762	254,017
Industrial	161,357	162,309
Public authorities	289,806	235,739
Total wastewater sales	<u>3,345,238</u>	<u>3,189,362</u>
Operating Expenses		
Operation:		
Operation, supervision and engineering	143,363	139,094
Power and fuel for pumping	39,057	29,013
Power and fuel for aeration equipment	163,050	157,867
Treatment charges	367,088	402,464
Chlorine	4,939	4,482
Phosphorous & Sludge removal	11,369	6,393
Other operating supplies	43,167	43,167
Transportation	13,877	11,293
Total operations	<u>785,910</u>	<u>776,383</u>
Maintenance:		
Collection system	85,006	305,462
Pumping equipment	30,964	29,187
Treatment and disposal plant equipment	86,222	142,245
General plant structures equipment	102,018	71,719
Total maintenance	<u>304,210</u>	<u>548,613</u>
Customer accounts:		
Advertising	160,280	133,598
Administrative and General:		
Salaries	2,515	2,447
Office supplies	153,447	139,789
Outside services employed	3,703	7,531
Insurance	4,677	10,994
Employee pensions and benefits	28,538	20,865
	139,074	189,770

City of River Falls
 Sewer Utility Operating Revenues and Expenses
 Years Ended December 31, 2021 and 2020

	2021	2020
Operating Expenses		
Administrative and general:		
Miscellaneous		
Rents	\$ 1,315	\$ 2,832
	<u>58,051</u>	<u>56,543</u>
Total administrative and general	<u>388,805</u>	<u>428,324</u>
Taxes	<u>39,989</u>	<u>40,428</u>
Total operation and maintenance	<u>1,681,709</u>	<u>1,929,793</u>
Depreciation	<u>850,036</u>	<u>754,643</u>
Total operating expenses	<u>2,531,745</u>	<u>2,684,436</u>
Operating income	<u>\$ 853,622</u>	<u>\$ 520,849</u>

City of River Falls		Insurance Summary Year Ended December 31, 2021	Description	Insurer	Policy Number	Coverage Limits	Deductible	Policy Period
Property	Travelers Prop Casualty Co of America	630-740875/07	\$73,169,721	\$5,000 - \$100,000	8/1/21-4/1/22			
Crime	Travelers Prop Casualty Co of America	630-740875/07	500,000	\$5,000	8/1/21-4/1/22			
Equipment Floater	Travelers Prop Casualty Co of America	630-740875/07	\$3,949,437	\$1,000 - \$50,000	8/1/21-4/1/22			
General Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	NA	8/1/21-4/1/22			
Law Enforcement Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$5,000	8/1/21-4/1/22			
Employee Benefits	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$3,000,000	\$1,000	8/1/21-4/1/22			
Management Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$5,000/\$50,000	8/1/21-4/1/22			
Management Liability-Related to Practices	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$10,000	8/1/21-4/1/22			
Business Automobile	The Charter Oak Fire Insurance Co	811-2C4-3439	\$2,000,000	\$1,000 - \$2,500	8/1/21-4/1/22			
Commercial Umbrella	Travelers Prop Casualty Co of America	ZUP-91M84121	\$5,000,000	NA	8/1/21-4/1/22			
Workers Compensation	The Travelers Indemnity Co of CT	UJ-BL703398	\$500,000	NA	8/1/21-4/1/22			
Equipment Breakdown	Travelers Prop Casualty Co of America	BMEI-74282816-TL-21	\$50,000,000	\$5,000 - \$50,000	8/1/21-4/1/22			
Other & Privacy Liability	Axis Insurance Company	P-001-000031956-94	\$2,000,000	\$25,000 (retention)	8/1/21-4/1/22			

City of River Falls

Water Utility Revenue Bond Disclosure
Water Sales to General Customers
Year Ended December 31, 2021

	Average Customer Count	Gallons Sold (000's)
Residential	4,570	185,206
Commercial	300	46,654
Industrial	20	21,978
Public Authority	75	34,971
Multi-Family Residential	79	36,644
Irrigation	891	89,741
	5,935	415,194

Electric Utility Revenue Bond Disclosure
Electric Sales to General Customers
Year Ended December 31, 2021

	Average Customer Count	Kilowatt Hours (000's)
Residential	5,939	47,430
Rural	286	2,782
Small Commercial	573	11,794
Industrial	70	40,017
Street & Highway Lighting	10	478
Public Authority	156	25,657
	7,034	128,158

APPENDIX B

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

October 18, 2022

Re: City of River Falls, Wisconsin ("Issuer")
\$5,995,000 Water System Revenue Bonds, Series 2022D,
dated October 18, 2022 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Common Council of the Issuer on September 27, 2022 (the "Bond Resolution"). The Issuer covenanted in the Bond Resolution that revenues of the Water System (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Bonds as the same falls due.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$280,000	___%
2024	295,000	___
2025	305,000	___
2026	315,000	___
2027	325,000	___
2028	340,000	___
2029	350,000	___
2030	355,000	___
2031	315,000	___
2032	230,000	___
2033	235,000	___
2034	245,000	___
2035	255,000	___
2036	270,000	___
2037	280,000	___
2038	290,000	___
2039	305,000	___
2040	320,000	___

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2041	\$335,000	___%
2042	350,000	___

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2023.

The Bonds maturing on May 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.

4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the

Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

APPENDIX C

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "Issuer") in connection with the issuance of \$5,995,000 Water System Revenue Bonds, Series 2022D, dated October 18, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 27, 2022 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated September 28, 2022 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of River Falls, Pierce and St. Croix Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director/Treasurer of the Issuer who can be contacted at 222 Lewis Street, River Falls, Wisconsin 54022, phone (715) 425-0900, fax (715) 425-0915.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2022, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. THE BONDS - Description of Water System

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 18th day of October, 2022.

(SEAL)

Danial H. Toland
Mayor

Amy White
City Clerk

APPENDIX E

NOTICE OF SALE

\$5,995,000* WATER SYSTEM REVENUE BONDS, SERIES 2022D CITY OF RIVER FALLS, WISCONSIN

Bids for the purchase of \$5,995,000* Water System Revenue Bonds, Series 2022D (the "Bonds") of the City of River Falls, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on September 27, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements and extensions to the City's Water System (the "Water System") and current refunding certain outstanding obligations of the City. The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (defined in the Preliminary Official Statement).

DATES AND MATURITIES

The Bonds will be dated October 18, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$280,000	2030	\$355,000	2037	\$280,000
2024	295,000	2031	315,000	2038	290,000
2025	305,000	2032	230,000	2039	305,000
2026	315,000	2033	235,000	2040	320,000
2027	325,000	2034	245,000	2041	335,000
2028	340,000	2035	255,000	2042	350,000
2029	350,000	2036	270,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All

Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2031 shall be subject to optional redemption prior to maturity on May 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about October 18, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding)(See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$5,911,070 plus accrued interest on the principal sum of \$5,995,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$119,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the

Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (i) "public" means any person other than an underwriter or a related party,
- (ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Amy White, Administrative Services Manager/City Clerk
City of River Falls, Wisconsin

BID FORM

The Common Council
City of River Falls, Wisconsin (the "City")

September 27, 2022

RE: \$5,995,000* Water System Revenue Bonds, Series 2022D (the "Bonds")
DATED: October 18, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$ _____ (not less than \$5,911,070) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2023	_____ % due	2030	_____ % due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036		

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$119,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about October 18, 2022.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: _____ 10% test, or the _____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from October 18, 2022 of the above bid is \$ _____ and the true interest cost (TIC) is _____ %.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of River Falls, Wisconsin, on September 27, 2022.

By: _____ By: _____
Title: _____ Title: _____