PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 15, 2026

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 Notes is excludable from gross income and is not an item of tax preference for federal income tax purposes; however, interest on the Notes 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). See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Notes. The interest on the Notes is not exempt from present Wisconsin income or franchise taxes.

The Notes shall be designated as "qualified tax-exempt obligations".

New Issue **Rating Application Made: Moody's Ratings**

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

$6,435,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A

BID OPENING: September 22, 2026, 11:00 A.M., C.T. **CONSIDERATION**: September 22, 2026, 6:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The $6,435,000* General Obligation Promissory Notes, Series 2026A (the "Notes") are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City of River Falls, Wisconsin (the "City"), for public purposes, including paying the cost of remodeling and renovating the City's fire station. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount. Delivery is subject to receipt of an approving legal opinion of Quarles & Brady LLP, Milwaukee, Wisconsin.

DATE OF NOTES: October 13, 2026

MATURITY: October 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$230,000	2034	$280,000	2041	$370,000
2028	230,000	2035	295,000	2042	385,000
2029	240,000	2036	305,000	2043	405,000
2030	245,000	2037	315,000	2044	420,000
2031	255,000	2038	330,000	2045	440,000
2032	265,000	2039	340,000	2046	460,000
2033	270,000	2040	355,000		

***MATURITY ADJUSTMENTS:** The City reserves the right to increase or decrease the principal amount of the Notes 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 BONDS: See "Term Bond Option" herein.

INTEREST: October 1, 2027 and semiannually thereafter.

OPTIONAL REDEMPTION: Notes maturing on October 1, 2035 and thereafter are subject to call for prior optional redemption on October 1, 2034 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

MINIMUM BID: $6,354,562.50.

MAXIMUM BID: $7,014,150.00.

GOOD FAITH DEPOSIT: A good faith deposit in the amount of $128,700 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: City officials or a bank or trust company to be selected by the City.

BOND COUNSEL & DISCLOSURE COUNSEL: Quarles & Brady LLP.

MUNICIPAL ADVISOR: Ehlers and Associates, Inc.

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

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy these securities nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is in a form deemed final as of its date for purposes of SEC Rule 15c2-12(b) (1), but is subject to revision, amendment and completion in a Final Official Statement.

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 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 Notes 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 Underwriter (Syndicate Manager). 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 Notes. Compensation of Ehlers and Associates, Inc., payable entirely by the City, is contingent upon the delivery of the Notes.

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 Notes 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 Notes, 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 Notes and all times subsequent thereto up to and including the time of the delivery of the Notes, this 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 Notes; (3) a certificate evidencing the due execution of the Notes, 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 Notes, (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 Notes 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 Notes 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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BID FORM

CITY OF RIVER FALLS
COMMON COUNCIL

		Term Expires
Alison Page	Mayor	April 2028
Diane Odeen	Council President	April 2027
Mei Mei Abdouch	Alderperson	April 2028
Todd Bjerstedt	Alderperson	April 2028
Nick Carow	Alderperson	April 2027
Sean Downing	Alderperson	April 2027
Michael Page	Alderperson	April 2027
Rose Walker	Alderperson	April 2028

ADMINISTRATION

Scot Simpson, City Administrator
Josh Solinger, Finance Director/Treasurer
Amy White, Community Services Director/City Clerk

PROFESSIONAL SERVICES

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, Minneapolis, Minnesota
(*Other office located in Waukesha, Wisconsin*)

INTRODUCTORY STATEMENT

This Official Statement contains certain information regarding the City of River Falls, Wisconsin (the "City") and the issuance of its $6,435,000* General Obligation Promissory Notes, Series 2026A (the "Notes"). Any descriptions or summaries of the Notes, 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 Notes to be included in the resolution authorizing the issuance and sale of the Notes ("Authorizing Resolution") to be adopted by the Common Council on September 22, 2026.

Inquiries may be directed to Ehlers and Associates, Inc. ("Ehlers" or the "Municipal Advisor"), Minneapolis, 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 NOTES

GENERAL

The Notes 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 13, 2026. The Notes will mature on October 1 in the years and amounts set forth on the cover of this Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing October 1, 2027, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes are held under the book-entry system, beneficial ownership interests in the Notes may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Notes 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 Notes shall be payable as provided in the Authorizing Resolution.

The City may select City officials or a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected, 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.

*Preliminary, subject to change.

OPTIONAL REDEMPTION

At the option of the City, the Notes maturing on or after October 1, 2035 shall be subject to optional redemption prior to maturity on October 1, 2034 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 Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of remodeling and renovating the City's fire station.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Notes	$6,435,000	
Total Sources		**$6,435,000**
Uses		
Estimated Underwriter's Discount	$80,438	
Costs of Issuance	116,914	
Deposit to Construction Fund	6,235,000	
Rounding Amount	2,648	
Total Uses		**$6,435,000**

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Notes with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrepealable tax on all taxable property in the City sufficient to pay the interest on the Notes when it becomes due and also to pay and discharge the principal on the Notes at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

RATING

General obligation debt of the City is currently rated "Aa2" by Moody's Ratings ("Moody's").

The City has requested a rating on the Notes from Moody's, and bidders will be notified as to the assigned rating prior to the sale. Such rating 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 Notes.

Such rating is not to be construed as a recommendation of the rating agency to buy, sell or hold the Notes, 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 Notes 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 Notes, 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 of the Notes, 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 Notes. However, such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

In the previous five years, the City believes it has not failed to comply in all material respects with its prior undertakings under the Rule. Ehlers is currently engaged as dissemination agent for the City.

LEGAL MATTERS

An opinion as to the validity of the Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes. 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 the Official Statement or other offering material relating to the Notes 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 the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes 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 Notes under existing law substantially in the following form:

> "The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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 Notes 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). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes."

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

Prospective purchasers of the Notes should be aware that ownership of the Notes 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 Notes 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 Notes. 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 Notes may be enacted. Prospective purchasers of the Notes 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 Notes is less than the principal amount payable at maturity, such Notes ("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 includible 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 Notes is more than the principal amount payable at maturity, such Notes ("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 Notes shall be designated as "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 Notes. The Municipal Advisor cannot participate in the underwriting of the Notes. 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, 2025 have been audited by CliftonLarsonAllen LLP, Hudson, 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

The following is a description of possible risks to holders of the Notes 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 read this Official Statement, including the appendices, in its entirety.

Taxes: The Notes are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service. In the event of delayed billing, collection or distribution of property taxes, sufficient funds may not be available to the City in time to pay debt service when due.

State Actions: Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by state government. Future actions of the State of Wisconsin (the "State") may affect the overall financial condition of the City, the taxable value of property within the City, and the ability of the City to levy and collect property taxes.

Future Changes in Law: Various State and federal laws, regulations and constitutional provisions apply to the City and to the Notes. The City can give no assurance that there will not be a change in or interpretation of any such applicable laws, regulations and provisions which would have a material effect on the City or the taxing authority of the City.

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 Notes 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 Notes may fall for purposes of resale. Noncompliance by the City with the covenants in the Authorizing Resolution relating to certain continuing requirements of the Code may result in inclusion of interest to be paid on the Notes 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 Notes. 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 Notes in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Notes and their market price.

Book-Entry-Only System: The timely credit of payments for principal and interest on the Notes to the accounts of the Beneficial Owners of the Notes 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 Notes.

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 Notes in the secondary market.

Secondary Market for the Notes: No assurance can be given that a secondary market will develop for the purchase and sale of the Notes or, if a secondary market exists, that such Notes can be sold for any particular price. The underwriters are not obligated to engage in secondary market trading or to repurchase any of the Notes at the request of the owners thereof. Prices of the Notes 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 Notes. 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 Notes 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.

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
2026 Equalized Value	$1,314,220,800	$942,222,400	$2,256,443,200
2026 Equalized Value Reduced by Tax Increment Valuation	$1,269,314,600	$818,833,900	$2,088,148,500
2025 Assessed Value	$1,161,069,700	$786,727,300	$1,947,797,000

2026 EQUALIZED VALUE BY CLASSIFICATION

	2026 Equalized Value[1]	Percent of Total Equalized Value
Residential	$1,593,561,300	70.623%
Commercial	608,352,900	26.961%
Manufacturing	54,246,300	2.404%
Agricultural	35,900	0.002%
Undeveloped	77,800	0.003%
Ag Forest	105,000	0.005%
Forest	64,000	0.003%
Total	$2,256,443,200	100.000%

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value[1]	Percent Increase/Decrease in Equalized Value
2022	$1,354,780,100	$1,494,615,400	13.58%
2023	1,395,085,900	1,786,561,600	19.53%
2024	1,422,796,600	1,890,671,200	5.83%
2025	1,947,797,000[2]	2,044,367,000	8.13%
2026	N/A	2,256,443,200	10.37%

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

[1] Includes tax increment valuation.

[2] Interim market update completed in this year.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2025 Equalized Value[1]	Percent of City's Total Equalized Value
T Buck Properties	Multi-family rentals	$26,620,852	1.30%
Winfield Solutions	Ag Retailer	19,147,639	0.94%
1 RF LLC	Apartments	14,654,991	0.72%
River Falls Development, LLC	Apartments	12,974,024	0.63%
River Falls QOZB LLC	Senior Housing	11,646,015	0.57%
River Falls Holdings, LLC	Distillery	10,480,823	0.51%
TW Equities LLC	Office/Warehouse	9,971,071	0.49%
River Falls Development II, LLC	Apartments	9,736,196	0.48%
River Falls RCAC LLC	Senior Care	8,447,113	0.41%
Erickson's Diversified Corporation	Grocery Store	5,173,105	0.25%
Total		$128,851,829	6.30%
City's Total 2025 Equalized Value[2]		$2,044,367,000	

Source: The City.

DEBT

DIRECT DEBT[3]

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Notes)*	$40,348,664

*Preliminary, subject to change.

[1] Calculated by dividing the 2025 Assessed Values by the 2025 Aggregate Ratio of assessment for the City. Final information for 2026 is not yet available.

[2] Includes tax increment valuation.

[3] Outstanding debt is as of the dated date of the Notes.

Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	$770,833
Total revenue debt secured by sewerage revenues	$2,655,000
Total revenue debt secured by water revenues	$4,905,000

Other Obligations

Issue Date	Original Amount	Name of Issue	Final Maturity	Amount Outstanding
9/28/23	$4,933,000	Water System Revenue Bond Anticipation Note[1]	9/1/28	$4,933,000

DEBT PAYMENT HISTORY

The City has no record of default in the payment of principal and interest on its debt in the previous five years.

FUTURE FINANCING

The City is considering the issuance of electric system revenue debt in the amount of approximately $1,200,000 for electric system infrastructure improvements and general obligation debt in the amount of approximately $4,600,000 for transportation, utility infrastructure, park amenity, public works and public safety equipment projects in 2027. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

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	$2,256,443,200
Multiply by 5%	0.05
Statutory Debt Limit[2]	$112,822,160
Less: General Obligation Debt (includes the Notes)*	(40,348,664)
Unused Debt Limit*	$72,473,496

*Preliminary, subject to change.

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[1] This Note is not a general obligation of the City. The Note is payable only from (a) any proceeds from the issuance and sale of the Note which are set aside to pay interest on the Note; (b) proceeds to be derived from the issuance and sale of the loan, which proceeds are pledged for the payment of the principal of and interest on the Note; and (c) a pledge of the revenues the water system deposited in the special redemption fund on a basis junior and subordinate to the pledge granted to the owners of the City's Water System Revenue Bonds, Series 2011A, dated July 6, 2011 and the Water System Revenue Bonds Series 2022D, dated October 18, 2022.

[2] The 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.

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
General Obligation Debt Secured by Taxes
(As of 10/13/2026)

	Taxable Refunding Bonds Series 2012A		Corporate Purpose Bonds Series 2014A		State Trust Fund Loan		Refunding Bonds Series 2016B		Park Bonds Series 2018A	
Dated	03/22/2012		08/12/2014		07/01/2015		04/13/2016		07/02/2018	
Amount	$4,560,000		$5,425,000		$1,600,000		$4,060,000		$3,460,000	
Maturity	03/01		12/01 Final Maturity 06/01		03/15		09/01 Final Maturity 03/01		04/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	0	0	245,000	42,619	0	0	0	0	0	0
2027	155,000	7,998	255,000	77,888	87,904	30,100	390,000	26,050	235,000	52,173
2028	160,000	2,720	260,000	70,238	91,127	26,877	400,000	18,250	245,000	44,973
2029			270,000	62,438	94,618	23,386	410,000	5,125	250,000	37,548
2030			275,000	54,338	98,166	19,838			260,000	29,898
2031			290,000	45,400	101,848	16,157			265,000	21,890
2032			300,000	35,250	105,633	12,371			275,000	13,451
2033			310,000	24,000	109,628	8,376			285,000	4,560
2034			330,000	6,188	113,739	4,265				
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
2043										
2044										
2045										
2046										
	315,000	10,718	2,535,000	418,356	802,664	141,371	1,200,000	49,425	1,815,000	204,491

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City of River Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/13/2026)

	Promissory Note[1]		Corporate Purpose Bonds Series 2020A		Taxable Promissory Note		Taxable Promissory Note		Sewerage Bonds Series 2022C	
Dated	11/06/2019		06/30/2020		10/18/2022		10/18/2022		10/18/2022	
Amount	$620,000		$5,740,000		$750,000		$749,000		$5,155,000	
Maturity	05/06 & 11/06		03/01		10/01		10/01		10/01	
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**	**Principal**	**Interest**
2026	31,000	2,817	0	0	0	0	0	0	0	0
2027	62,000	4,388	335,000	90,600	73,000	22,981	749,000	31,982	205,000	181,588
2028	62,000	2,800	350,000	76,900	76,000	19,557			215,000	171,338
2029	62,000	1,194	360,000	66,300	80,000	15,993			225,000	160,588
2030			370,000	59,000	83,000	12,241			240,000	149,338
2031			375,000	51,550	87,000	8,348			245,000	139,738
2032			290,000	44,900	91,000	4,268			260,000	129,938
2033			300,000	39,000					265,000	119,538
2034			310,000	32,900					280,000	108,938
2035			310,000	26,700					290,000	97,738
2036			260,000	21,000					300,000	86,138
2037			265,000	15,750					310,000	74,138
2038			270,000	10,400					325,000	61,738
2039			190,000	5,800					335,000	48,738
2040			195,000	1,950					275,000	35,338
2041									290,000	24,338
2042									300,000	12,375
2043										
2044										
2045										
2046										
	217,000	11,199	4,180,000	542,750	490,000	83,388	749,000	31,982	4,360,000	1,601,538

1 This note provides that upon the occurrence of any one or of the following events of default: (a) City fails to pay any amount when due under the note or under any instrument evidencing any indebtedness of the City to the lender; (b) any representation or warranty made under the note or information provided by the City to the lender in connection with the note is or was false or fraudulent in any material respect; (c) a material adverse change occurs in the City's financial condition; (d) City fails to timely observe or perform any of the covenants or duties in the note; (e) an event of default occurs under any agreement securing the note; or (f) the lender deems itself insecure, then the unpaid balance shall, at the option of the lender, without notice, mature and become immediately payable.

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City of River Falls, Wisconsin
Schedule of Bonded Indebtedness continued
General Obligation Debt Secured by Taxes
(As of 10/13/2026)

	Corporate Purpose Bonds Series 2023A		Promissory Notes Series 2026A							
Dated	09/28/2023		10/13/2026							
Amount	$18,415,000		$6,435,000*							
Maturity	09/01		10/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Estimated Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	0	0	0	0	276,000	45,436	321,436	40,072,664	.68%	**2026**
2027	555,000	777,450	230,000	248,302	3,331,904	1,551,498	4,883,402	36,740,760	8.94%	**2027**
2028	580,000	749,700	230,000	249,504	2,669,127	1,432,855	4,101,983	34,071,632	15.56%	**2028**
2029	610,000	720,700	240,000	242,029	2,601,618	1,335,300	3,936,918	31,470,014	22.00%	**2029**
2030	650,000	690,200	245,000	234,109	2,221,166	1,248,960	3,470,127	29,248,848	27.51%	**2030**
2031	680,000	657,700	255,000	225,853	2,298,848	1,166,635	3,465,483	26,950,000	33.21%	**2031**
2032	715,000	623,700	265,000	217,030	2,301,633	1,080,907	3,382,541	24,648,367	38.91%	**2032**
2033	750,000	587,950	270,000	207,755	2,289,628	991,178	3,280,806	22,358,739	44.59%	**2033**
2034	795,000	550,450	280,000	197,981	2,108,739	900,721	3,009,460	20,250,000	49.81%	**2034**
2035	830,000	510,700	295,000	187,593	1,725,000	822,730	2,547,730	18,525,000	54.09%	**2035**
2036	875,000	469,200	305,000	176,353	1,740,000	752,691	2,492,691	16,785,000	58.40%	**2036**
2037	1,210,000	425,450	315,000	164,428	2,100,000	679,765	2,779,765	14,685,000	63.60%	**2037**
2038	1,260,000	377,050	330,000	151,670	2,185,000	600,858	2,785,858	12,500,000	69.02%	**2038**
2039	1,315,000	325,075	340,000	137,975	2,180,000	517,588	2,697,588	10,320,000	74.42%	**2039**
2040	1,510,000	270,831	355,000	123,695	2,335,000	431,814	2,766,814	7,985,000	80.21%	**2040**
2041	1,570,000	206,656	370,000	108,608	2,230,000	339,601	2,569,601	5,755,000	85.74%	**2041**
2042	1,635,000	139,931	385,000	92,698	2,320,000	245,004	2,565,004	3,435,000	91.49%	**2042**
2043	1,710,000	68,400	405,000	75,950	2,115,000	144,350	2,259,350	1,320,000	96.73%	**2043**
2044			420,000	58,130	420,000	58,130	478,130	900,000	97.77%	**2044**
2045			440,000	40,280	440,000	40,280	480,280	460,000	98.86%	**2045**
2046			460,000	20,700	460,000	20,700	480,700	0	100.00%	**2046**
	17,250,000	8,151,144	6,435,000	3,160,639	40,348,664	14,407,000	54,755,665			

* Preliminary, subject to change.

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Electric Revenues
(As of 10/13/2026)

	Electric System Revenue Bonds Series 2018B		WPPI Loan							
Dated	07/02/2018		08/12/2020							
Amount	$2,500,000		$500,000							
Maturity	04/01		Monthly							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	0	0	12,500	0	12,500	0	12,500	758,333	1.62%	**2026**
2027	285,000	12,975	50,000	0	335,000	12,975	347,975	423,333	45.08%	**2027**
2028	290,000	4,350	50,000	0	340,000	4,350	344,350	83,333	89.19%	**2028**
2029			50,000	0	50,000	0	50,000	33,333	95.68%	**2029**
2030			33,333	0	33,333	0	33,333	0	100.00%	**2030**
	575,000	17,325	195,833	0	770,833	17,325	788,158			

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Sewerage Revenues
(As of 10/13/2026)

	Sewerage System Revenue Bonds Series 2016A							
Dated	04/13/2016							
Amount	$4,510,000							
Maturity	05/01							
Calendar Year Ending	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	0	38,675	0	38,675	38,675	2,655,000	.00%	**2026**
2027	230,000	75,050	230,000	75,050	305,050	2,425,000	8.66%	**2027**
2028	240,000	69,150	240,000	69,150	309,150	2,185,000	17.70%	**2028**
2029	245,000	61,875	245,000	61,875	306,875	1,940,000	26.93%	**2029**
2030	255,000	54,375	255,000	54,375	309,375	1,685,000	36.53%	**2030**
2031	260,000	46,650	260,000	46,650	306,650	1,425,000	46.33%	**2031**
2032	270,000	38,700	270,000	38,700	308,700	1,155,000	56.50%	**2032**
2033	275,000	30,525	275,000	30,525	305,525	880,000	66.85%	**2033**
2034	285,000	22,125	285,000	22,125	307,125	595,000	77.59%	**2034**
2035	295,000	13,425	295,000	13,425	308,425	300,000	88.70%	**2035**
2036	300,000	4,500	300,000	4,500	304,500	0	100.00%	**2036**
	2,655,000	455,050	2,655,000	455,050	3,110,050			

City of River Falls, Wisconsin
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water Revenues
(As of 10/13/2026)

	Water System Revenue Bonds Series 2011A		Water System Revenue Bonds Series 2022D							
Dated	07/06/2011		10/18/2022							
Amount	$2,125,000		$4,845,000							
Maturity	05/01		05/01							
Calendar Year Ending	**Principal**	**Interest**	**Principal**	**Interest**	**Total Principal**	**Total Interest**	**Total P & I**	**Principal Outstanding**	**% Paid**	**Calendar Year Ending**
2026	0	14,975	0	89,253	0	104,228	104,228	4,905,000	.00%	**2026**
2027	130,000	27,350	185,000	173,881	315,000	201,231	516,231	4,590,000	6.42%	**2027**
2028	135,000	21,915	195,000	164,381	330,000	186,296	516,296	4,260,000	13.15%	**2028**
2029	140,000	16,140	205,000	154,381	345,000	170,521	515,521	3,915,000	20.18%	**2029**
2030	145,000	10,010	215,000	143,881	360,000	153,891	513,891	3,555,000	27.52%	**2030**
2031	155,000	3,410	225,000	134,006	380,000	137,416	517,416	3,175,000	35.27%	**2031**
2032			235,000	124,806	235,000	124,806	359,806	2,940,000	40.06%	**2032**
2033			245,000	115,206	245,000	115,206	360,206	2,695,000	45.06%	**2033**
2034			255,000	105,206	255,000	105,206	360,206	2,440,000	50.25%	**2034**
2035			265,000	94,806	265,000	94,806	359,806	2,175,000	55.66%	**2035**
2036			275,000	84,006	275,000	84,006	359,006	1,900,000	61.26%	**2036**
2037			285,000	72,806	285,000	72,806	357,806	1,615,000	67.07%	**2037**
2038			295,000	61,206	295,000	61,206	356,206	1,320,000	73.09%	**2038**
2039			310,000	48,913	310,000	48,913	358,913	1,010,000	79.41%	**2039**
2040			325,000	35,816	325,000	35,816	360,816	685,000	86.03%	**2040**
2041			335,000	21,994	335,000	21,994	356,994	350,000	92.86%	**2041**
2042			350,000	7,438	350,000	7,438	357,438	0	100.00%	**2042**
	705,000	93,800	4,200,000	1,631,988	4,905,000	1,725,788	6,630,788			

OVERLAPPING DEBT[1]

Taxing District	2026 Equalized Value[2]	% In City	Total G.O. Debt[3]	City's Proportionate Share
Pierce County	$6,772,514,700	19.4052%	$37,085,000	$7,196,418
St. Croix County	19,907,624,100	4.7330%	107,490,000	5,087,502
River Falls School District	4,128,777,382 [4]	49.5151%	61,825,000	30,612,711
Chippewa Valley Technical College District	47,521,516,561 [4]	4.3020%	86,020,000	3,700,580
City's Share of Total Overlapping Debt				$46,597,211

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value $2,256,443,200	Debt/ Per Capita 18,134[5]
Total General Obligation Debt*	$40,348,664	1.79%	$2,225.03
City's Share of Total Overlapping Debt	46,597,211	2.07%	2,569.60
Total*	$86,945,875	3.85%	$4,794.63

*Preliminary, subject to change.

[1] Overlapping debt is as of the dated date of the Notes. Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

[2] Includes tax increment valuation.

[3] Outstanding debt based on information obtained on EMMA, Wisconsin Department of Revenue, Wisconsin Department of Public Instruction and the Municipal Advisor's records.

[4] 2025 Equalized Values. 2026 Equalized Values are expected to be certified in October 2026.

[5] Preliminary estimated 2026 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
2021/22	$4,665,222	100.00%	$5.84
2022/23	4,878,619	100.00%	5.49
2023/24	5,111,770	100.00%	4.73
2024/25	5,234,066	100.00%	4.76
2025/26	5,314,619	100.00%	4.54

St. Croix County

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per $1,000
2021/22	$2,469,778	100.00%	$5.84
2022/23	2,632,634	100.00%	5.49
2023/24	2,683,580	100.00%	4.73
2024/25	3,037,033	100.00%	4.76
2025/26	3,164,479	100.00%	4.54

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.

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. Previously, personal property taxes were required to be paid to the town, city or village treasurer in full by January 31. Uncollected personal property taxes owed by an entity that had ceased operations or filed a petition for bankruptcy, or were due on personal property that had been removed from the next assessment roll were formerly collected from each taxing entity in the year following the levy year. The personal property tax was repealed, starting with the property tax assessments as of January 1, 2024. Beginning in 2025, the personal property tax was replaced with a payment from the State intended to replace the amount of property taxes imposed on personal property for the property tax assessments as of January 1, 2023.

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	Schools[1]	County	Local	Total Full Value Effective Rate[2]
2021/22	$8.68	$4.88	$5.84	$19.40
2022/23	7.56	4.35	5.49	17.39
2023/24	7.27	3.75	4.73	15.74
2024/25	7.67	3.60	4.76	16.03
2025/26	7.53	3.52	4.54	15.59

St. Croix County

Year Levied/ Year Collected	Schools[1]	County	Local	Total Full Value Effective Rate[2]
2021/22	$8.68	$3.02	$5.84	$17.54
2022/23	7.56	3.00	5.49	16.05
2023/24	7.27	2.71	4.73	14.71
2024/25	7.67	2.58	4.76	15.01
2025/26	7.53	2.48	4.54	14.55

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

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

[2] Property tax less state property tax credit (not including lottery credit).

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; for a tax incremental district created after December 31, 2024, the valuation factor includes 90% of the equalized value increase due to new construction that is located in a tax incremental district, but does not include any improvements removed in a tax incremental district). 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 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.

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. 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 the Wisconsin Department of Revenue ("DOR") call into question the availability of this exception if the revenue shortfall is planned or ongoing. 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.

The Notes were authorized after July 1, 2005 and therefore the levy limits do not apply to taxes levied to pay debt service on the Notes.

REVENUE FROM THE STATE

In addition to local property taxes described above, a number of State programs exist which provide revenue to the City. One such program is commonly known as shared revenue which, pursuant to sec. 79.036, Wis. Stats., provides funding to the City that can be used for any public purpose. Chapter 79, Wis. Stats. includes other revenue sharing programs, which each have their own requirements. 2023 Wisconsin Act 12 ("Act 12") created a supplement to shared revenue, with payments to the City beginning in 2024. This supplemental shared revenue may be used only for the purposes specified in section 79.037, Wis. Stats. In 2025, the City received approximately $2,643,000 in shared revenue under Chapter 79, Wis. Stats., an increase from the approximately $2,586,000 received in 2024. The City is expected to receive approximately $2,676,000 in shared revenue under Chapter 79, Wis. Stats. in 2026. In future years, the amount of supplemental shared revenue could grow if State sales tax collections grow.

THE ISSUER

CITY GOVERNMENT

The City was incorporated in 1885 and is governed by a Mayor and a seven-member Common Council. 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, 20 part-time, and 22 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, 2023, the fiscal year ended December 31, 2024 and the fiscal year ended December 31, 2025 ("Fiscal Year 2025"), the City's portion of contributions to WRS (not including any employee contributions) totaled $762,127, $804,450 and $868,528, respectively.

Governmental Accounting Standards Board Statement No. 68 ("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, 2024, the total pension liability of the WRS was calculated as $136.18 billion and the fiduciary net position of the WRS was calculated as $134.54 billion, resulting in a net pension liability of $1.64 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 2025, the City reported a liability of $931,457 for its proportionate share of the net pension liability of the WRS. The net pension liability was measured as of December 31, 2024 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 0.05668675% of the aggregate WRS net pension liability as of December 31, 2024.

The calculation of the total pension liability 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 liability 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 10 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.[1]

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[1] On July 3, 2024, a Wisconsin circuit court judge issued a decision in the case *Abbotsford Education Association vs. Wisconsin Employment Relations Commission, Case No. 2023CV3152*, denying the Wisconsin State Legislature's intervening motion to dismiss the plaintiffs' challenge to the different classifications the Act created regarding collective bargaining rights. The Circuit Court's order denying the motion to dismiss stated that the Act violates the equal protection clause of the Wisconsin Constitution and declared those provisions of the Act relating to collective bargaining modifications unconstitutional and void. The decision further instructed the parties to make additional filings to the court as to whether the court should issue judgment on the pleadings in light of the court's order or take some other action to bring the case to a final judgment. On December 2, 2024, the Circuit Court issued an order granting the plaintiffs' motion for judgment on the pleadings and striking down substantial portions of the Act. The court's decision was appealed to the Wisconsin Court of Appeals. On January 23, 2025, the Court of Appeals granted a motion to stay the decision pending outcome of the appeal. On July 29, 2026, the Court of Appeals overturned the Circuit Court's decision and upheld the Act. On August 17, 2026, the plaintiffs petitioned the Wisconsin Supreme Court for review, and no guarantee can be made regarding the outcome of the matter.

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. Furthermore, if strikes do occur, they may be enjoined by the courts. Additionally, because the only legal subject of bargaining is total base wages, 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, 2029

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 no retirees receiving benefits and 57 active eligible plan members as of December 31, 2025, the date of the latest actuarial valuation.

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 most recently had an actuarial study for the plan prepared in accordance with GASB 75 by Nyhart in March 2026 with an actuarial valuation date of December 31, 2025.

For Fiscal Year 2025, there were no City contributions to the plan. 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, 2025, the plan's total OPEB liability was $988,756 and the plan fiduciary net position was $0, resulting in a net OPEB liability of $988,756.

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 13 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 Notes or otherwise questioning the validity of the Notes.

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 Notes 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 Notes could be modified in bankruptcy proceedings. Such modifications could be adverse to holders of the Notes, and there could ultimately be no assurance that holders of the Notes would be paid in full or in part on the Notes. Further, under such circumstances, there could be no assurance that the Notes would not be treated as general, unsecured debt by a bankruptcy court, meaning that claims of holders of the Notes 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 Notes.

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 Notes would not occur.

FUNDS ON HAND (as of August 17, 2026)

Fund	Total Cash and Investments
General	$5,361,964
Special Revenue	10,109,875
Debt Service	604,900
Enterprise Funds	13,606,726
Internal Service Funds	1,210,461
Total Funds on Hand	$30,893,926

ENTERPRISE FUNDS

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

	2023 Audited	2024 Audited	2025 Audited
Electric			
Total Operating Revenues	$16,245,541	$15,703,749	$17,298,680
Less: Operating Expenses	(14,885,860)	(14,491,965)	(15,885,163)
Operating Income	$1,359,681	$1,211,784	$1,413,517
Plus: Depreciation	1,202,353	1,290,433	1,337,345
Interest Income	193,130	185,842	128,470
Revenues Available for Debt Service	$2,755,164	$2,688,059	$2,879,332
Water			
Total Operating Revenues	$2,111,636	$2,055,948	$3,113,242
Less: Operating Expenses	(1,849,170)	(1,864,814)	(3,235,930)
Operating Income	$262,466	$191,134	($122,688)
Plus: Depreciation	565,860	616,382	705,181
Interest Income	312,515	205,531	177,413
Revenues Available for Debt Service	$1,140,841	$1,013,047	$759,906
Sewer			
Total Operating Revenues	$3,514,881	$3,526,918	$3,884,174
Less: Operating Expenses	(3,019,601)	(3,040,244)	(3,378,980)
Operating Income	$495,280	$486,674	$505,194
Plus: Depreciation	834,636	839,574	751,233
Interest Income	397,855	651,534	338,673
Revenues Available for Debt Service	$1,727,771	$1,977,782	$1,595,100

SUMMARY GENERAL FUND INFORMATION

The following are summaries of the revenues, 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 statements are available upon request. Appendix A includes the City's 2025 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31			
	2022 Audited	2023 Audited	2024 Audited	2025 Audited
Revenues				
Taxes	$4,922,083	$5,262,561	$5,337,790	$6,072,221
Special assessments	27	1,788	852	27
Intergovernmental	3,671,011	3,961,346	4,316,577	4,150,827
Licenses and permits	465,178	463,920	382,559	407,061
Fines and forfeitures	134,462	142,281	116,732	144,622
Fees and charges for services - public	371,074	461,010	546,074	505,364
Intergovernmental charges for services	13,741	20,150	4,856	0
Investment income (loss)	(13,735)	515,414	392,240	471,311
Miscellaneous	102,215	99,969	115,699	272,308
Total Revenues	$9,666,056	$10,928,439	$11,213,379	$12,023,741
Expenditures				
General government	$2,038,620	$2,351,717	$2,369,667	$2,025,813
Public safety	4,534,589	4,666,223	4,785,707	4,967,811
Public works	2,378,973	2,325,124	2,103,317	2,663,949
Health services	351	537	893	2,370
Culture and recreation	948,411	968,739	1,042,394	985,323
Development	1,102,791	986,955	1,072,604	1,131,500
Debt service	291,373	288,570	220,983	112,428
Total Expenditures	$11,295,108	$11,587,865	$11,595,565	$11,889,194
Excess of revenues over (under) expenditures	($1,629,052)	($659,426)	($382,186)	$134,547
Other Financing Sources (Uses)				
Property Sales	$16,414	$19,137	$16,885	$19,093
Transfers in	1,949,615	2,402,369	2,432,331	2,228,176
Transfers (out)	(724,511)	(844,206)	(1,324,146)	(2,069,238)
Total Other Financing Sources (Uses)	$1,241,518	$1,577,300	$1,125,070	$178,031
Net changes in Fund Balances	($387,534)	$917,874	$742,884	$312,578
General Fund Balance January 1	$12,734,437	$12,346,903	$13,264,777	$14,007,661
Prior Period Adjustment	0	0	0	0
General Fund Balance December 31	$12,346,903	$13,264,777	$14,007,661	$14,320,239
DETAILS OF DECEMBER 31 FUND BALANCE				
Nonspendable	$6,373,041	$6,455,593	$7,332,497	$6,371,511
Committed	0	0	0	130,242
Unassigned	5,973,862	6,809,184	6,675,164	7,818,486
Total	$12,346,903	$13,264,777	$14,007,661	$14,320,239

GENERAL FUND BUDGET SUMMARY

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31 2026 Adopted Budget[1]
Revenues	
Taxes	$6,385,100
Intergovernmental	4,079,000
Licenses and permits	271,200
Fines, forfeitures and penalties	145,000
Public charges for services	392,930
Investment income	170,000
Miscellaneous	79,770
Total Revenues	$11,523,000
Expenditures	
General government	$2,297,784
Public safety	5,221,744
Public works	2,785,546
Health services	1,700
Leisure activities	1,049,035
Conservation and development	1,221,794
Debt service	112,410
Total Expenditures	$12,690,013
Excess of revenues over (under) expenditures	($1,167,013)
Other Financing Sources (Uses)	
Property sales	$15,000
Transfers in	1,958,867
Transfers (out)	(1,704,354)
Total Other Financing Sources (Uses)	269,513
Net changes in Fund Balances	($897,500)
General Fund Balance January 1	$14,320,239
Prior Period Adjustment	0
General Fund Balance December 31	$13,422,739

[1] The 2026 budget was adopted on November 11, 2025.

The budgeted use of fund balance is the planned use of excessive fund balance for capial expenditures in lieu of borrowing. The Common Council has adopted a minimum fund balance threshold of 40 percent of budgeted General Fund expenses, which is expected to continue to be met.

GENERAL INFORMATION

LOCATION

The City, with a 2020 U.S. Census population of 16,182 and a current preliminary estimated population of 18,134, comprises an area of 6.56 square miles is located approximately 30 miles east of St. Paul, Minnesota.

LARGER EMPLOYERS[1]

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	744
School District of River Falls	Elementary and secondary education	678
River Falls Allina Health	Hospital	406
Rise Bakery Company	Bakers	335
The City	Municipal government and services	156
TW Equities, LLC	Financial advisory service	150
Family Fresh Market	Grocery store	108
Trellegorg Group	Rubber and plastics manufacturer	105
TCP Aladtec	Software company	100
McDonald's	Fast food restaurant	88

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

[1] This 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.

BUILDING PERMITS

	2022	2023	2024	2025	2026[1]
New Single Family Homes					
No. of building permits	94	67	104	68	47
Valuation	$15,711,100	$17,921,000	$26,095,000	$18,900,000	$12,386,000
New Multiple Family Buildings					
No. of building permits	2	5	0	11	1
Valuation	$20,825,380	$28,724,000	$0	$26,733,000	$9,500,000
New Commercial/Industrial					
No. of building permits	2	3	2	3	3
Valuation	$7,327,695	$9,975,000	$9,388,000	$5,469,000	$14,646,000
All Building Permits *(including additions and remodelings)*					
No. of building permits	292	304	325	287	166
Valuation	$58,282,355	$65,054,000	$41,287,000	$78,200,000	$39,341,000

Source: The City.

[1] As of July 31, 2026.

U.S. CENSUS DATA

Population Trend: The City

2010 U.S. Census Population	15,000
2020 U.S. Census Population	16,182
Percent of Change 2010 - 2020	7.88%
Preliminary 2026 Estimated Population	18,134

Income and Age Statistics

	The City	Pierce County	State of Wisconsin	United States
2024 per capita income	$36,945	$45,908	$43,373	$44,673
2024 median household income	$83,627	$92,109	$77,485	$80,734
2024 median family income	$105,833	$115,192	$100,141	$99,999
2024 median gross rent	$1,107	$1,044	$1,087	$1,413
2024 median value owner occupied units	$327,600	$333,700	$266,500	$332,700
2024 median age	28.6 yrs.	38.8 yrs.	40.2 yrs.	38.9 yrs.

	State of Wisconsin	United States
City % of 2024 per capita income	85.18%	82.70%
City % of 2024 median family income	105.68%	105.83%

Housing Statistics

	The City		
	2020	2024	Percent of Change
All Housing Units	5,931	6,133	3.41%

Source: 2010 and 2020 Census of Population and Housing, Wisconsin Demographic Services Center (https://doa.wi.gov/Pages/LocalGovtsGrants/Population_Estimates.aspx) and 2024 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.

	Average Employment	Average Unemployment	
Year	Pierce County	Pierce County	State of Wisconsin
2022	23,210	3.2%	2.8%
2023	23,616	3.3%	2.8%
2024	23,710	3.5%	3.0%
2025[1]	23,634	3.7%	3.2%
2026, July[1]	24,574	3.5%	3.4%

Source: Wisconsin Department of Workforce Development.

[1] Preliminary.

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 Notes, 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.

CITY OF RIVER FALLS, WISCONSIN

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

YEAR ENDED DECEMBER 31, 2025

CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

City Council
City of River Falls
River Falls, Wisconsin

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

Emphasis of Matter - Correction of an Error

As discussed in Note 1.D.15 to the financial statements, beginning fund balance for the General Capital Projects Fund and beginning net position for Governmental Activities were restated for the correction of an error. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 management's discussion and analysis, budgetary comparison information of the general fund, pension and other postemployment benefit schedules 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 GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The detail budgetary comparison schedules for the general fund and the combining nonmajor and individual fund statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, detail budgetary comparison schedules for the general fund and combining and individual fund statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2026, on our consideration of the City of River Falls's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of River Falls's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering City of River Falls's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Hudson, Wisconsin
July 31, 2026

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, 2025. 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 $150.8 million, an increase of $9.1 million from the previous year. This increase is an aggregate result of $8.7 million increased net position in governmental activities and $0.4 million increased net position in business-type activities.

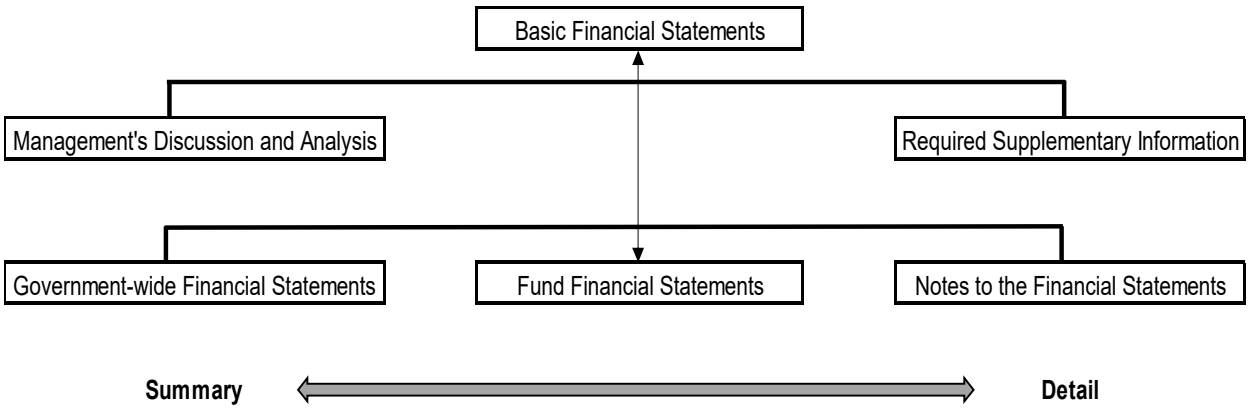
- At the close of 2025, the General Fund ending fund balance was $14.3 million, an increase of $0.3 million.

- The City's enterprise funds closed the year with operating income of $1.6 million, and a change in net position of $.5 million.

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 10. 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 18-20 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

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 two major governmental funds for 2025: General Fund 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 *combining 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 to demonstrate compliance with the adopted budget.

The basic governmental funds financial statements can be found on pages 21-23 of this report.

Proprietary Funds

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 25-29 of this report.

Custodial Funds

Custodial funds are used to account for resources held for the benefit of parties outside the government. Custodial 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 custodial funds is similar to that used for proprietary funds. The City of River Falls uses custodial funds to account for taxes collected for the benefit of overlapping tax jurisdictions.

The custodial financial statement can be found on pages 30-31.

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 32-92 of this report.

Additional Supplementary Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information containing General Fund budgetary comparison information and supplementary information, which includes additional information for non-major governmental funds**.** Required supplementary information can be found on pages 93-95 of this report; supplementary information can be found on pages 99-120 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Statement of Net Position

Total net position increased by $9.1 million to $150.8 million at the close of fiscal year ending December 31, 2025. This increase is an aggregate result of $8.7 million increased net position in governmental activities and $0.4 million increased net position in business-type activities.

Net investment of the primary government in capital assets comprises $120.7 million, or 80.0% 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 $20.9 million, or 13.9% 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.

City of River Falls
Summary of Net Position

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 37,581,045	$ 38,140,520	$ 15,422,373	$ 18,867,792	$ 53,003,418	$ 57,008,312
Capital Assets	75,236,046	73,200,830	89,750,308	86,617,371	164,986,354	159,818,201
Total Assets	112,817,091	111,341,350	105,172,681	105,485,163	217,989,772	216,826,513
Deferred Charge on refunding	97,842	127,947	-	-	97,842	127,947
Deferred Pension and OPEB	4,456,709	5,979,979	1,405,166	1,690,243	5,861,875	7,670,222
Deferred Outflows of Resources	4,554,551	6,107,926	1,405,166	1,690,243	5,959,717	7,798,169
Current Liabilities	1,558,113	7,649,049	2,000,068	1,732,748	3,558,181	9,381,797
Noncurrent Liabilities	31,338,805	33,266,143	22,640,181	23,819,766	53,978,986	57,085,909
Total Liabilities	32,896,918	40,915,192	24,640,249	25,552,514	57,537,167	66,467,706
Deferred Unearned revenues	11,139,389	10,672,720	-	-	11,139,389	10,672,720
Deferred Pension and OPEB	2,304,265	3,567,888	712,119	1,018,724	3,016,384	4,586,612
Deferred Lease related amounts	-	-	1,386,384	1,222,818	1,386,384	1,222,818
Deferred Inflows of Resources	13,443,654	14,240,608	2,098,503	2,241,542	15,542,157	16,482,150
Net Investment in Capital Assets [1]	52,008,121	51,364,584	68,731,617	69,327,347	120,739,738	118,981,207
Restricted	8,015,032	7,418,535	1,168,816	1,725,516	9,183,848	9,144,051
Unrestricted [1]	11,007,917	3,510,357	9,938,662	8,328,487	20,946,579	13,549,568
Total Net Position	$ 71,031,070	$ 62,293,476	$ 79,839,095	$ 79,381,350	$ 150,870,165	$ 141,674,826
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	24%	6%	37%	30%	29%	16%

[1] See Note I.D. 3 equity classifications for detailed information of 2025 & 2024 adjustments

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	
	2025	2024	2025	2024	2025	2024
Revenues						
Program revenues:						
Charges for services	$3,284,429	$2,445,802	$25,288,106	$22,191,789	$28,572,535	$24,637,591
Operating grants and contributions	1,423,139	2,724,335	-	-	1,423,139	2,724,335
Capital grants and contributions	2,244,235	431,486	1,256,296	1,076,412	3,500,531	1,507,898
General revenues:						
Property taxes	10,812,048	9,865,683	-	-	10,812,048	9,865,683
Other taxes	219,872	278,882	-	-	219,872	278,882
Intergovernmental	3,073,698	3,223,720	-	67,950	3,073,698	3,291,670
Investment earnings	1,197,859	1,536,236	685,878	1,081,756	1,883,737	2,617,992
Miscellaneous	1,397,629	648,457	116,652	87,305	1,514,281	735,762
Total revenues	23,652,909	21,154,601	27,346,932	24,505,212	50,999,841	45,659,813
Expenses						
General government	3,536,120	3,039,817	-	-	3,536,120	3,039,817
Public safety	5,236,555	5,208,625	-	-	5,236,555	5,208,625
Public works	4,668,169	4,383,741	-	-	4,668,169	4,383,741
Health services	2,370	17,438	-	-	2,370	17,438
Leisure	4,031,128	2,728,408	-	-	4,031,128	2,728,408
Conservation and developmer	3,074,611	2,689,057	-	-	3,074,611	2,689,057
Interest and fiscal charges	729,826	1,281,970	-	-	729,826	1,281,970
Electric utility	-	-	15,954,642	14,822,269	15,954,642	14,822,269
Water utility	-	-	3,483,142	2,262,183	3,483,142	2,262,183
Sewer utility	-	-	4,030,285	3,826,541	4,030,285	3,826,541
Storm water utility	-	-	849,372	553,262	849,372	553,262
Ambulance service	-	-	341,232	337,611	341,232	337,611
Total expenses	21,278,779	19,349,056	24,658,673	21,801,866	45,937,452	41,150,922
Change in net position before transfers	2,374,130	1,805,545	2,688,259	2,703,346	5,062,389	4,508,891
Transfers	2,230,514	(674,786)	(2,230,514)	674,786	-	-
Increase in net position	4,604,644	1,130,759	457,745	3,378,132	5,062,389	4,508,891
Net position January 1	62,293,476	61,162,717	79,381,350	76,003,218	141,674,826	137,165,935
Error Correction	4,132,950	-	-	-	4,132,950	-
Net position January 1 , restated	66,426,426	61,162,717	79,381,350	76,003,218	145,807,776	137,165,935
Net position December 31	$ 71,031,070	$ 62,293,476	$ 79,839,095	$ 79,381,350	$ 150,870,165	$ 141,674,826

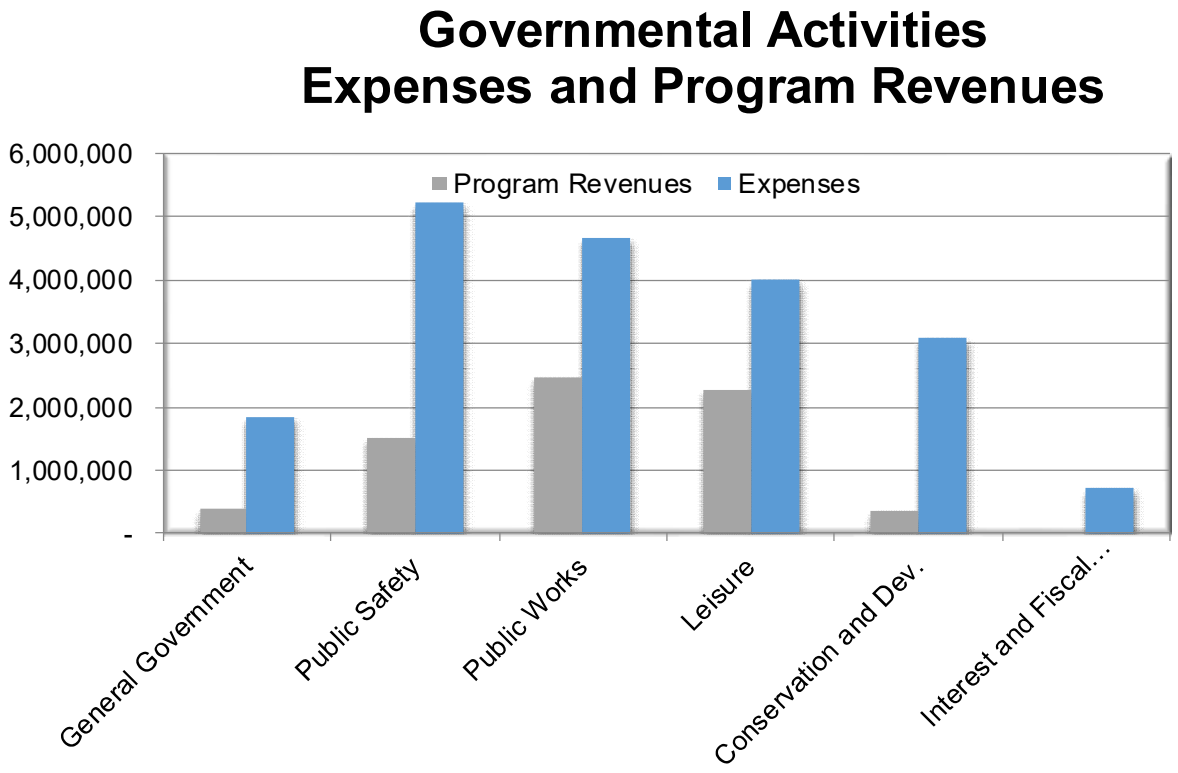
Governmental Activities:

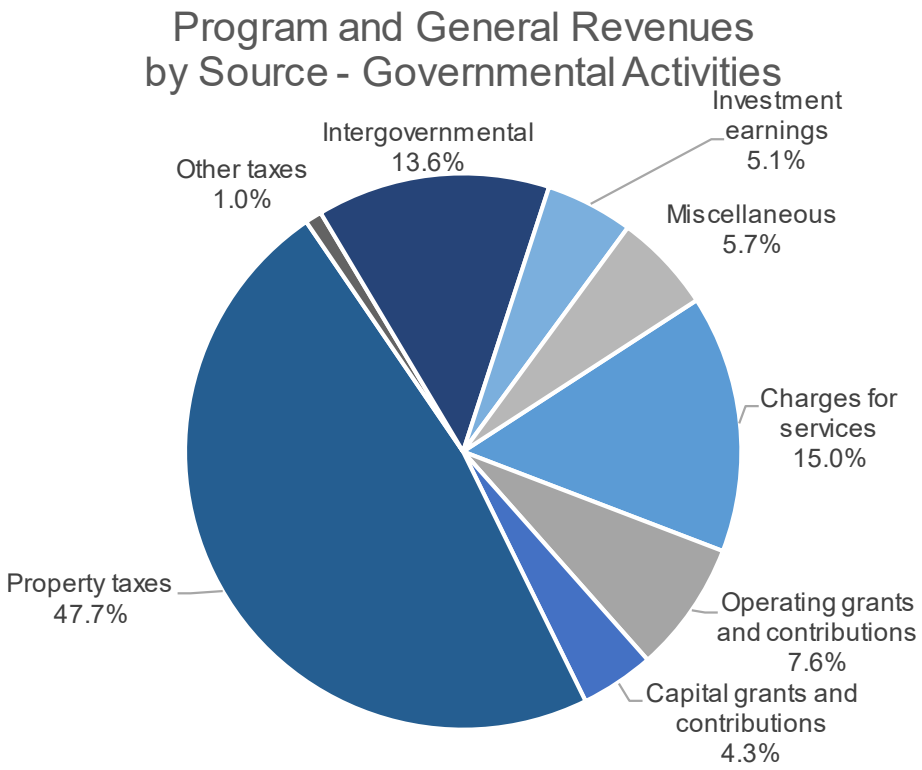
At the end of 2025, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of $117.4 million and total liabilities and deferred inflows of resources of $46.3 million, resulting in a net position of $71.0 million. The net position is allocated with $52.0 million representing capital assets net of related debt, $8.0 million held for restricted purposes, and $11.0 million of unrestricted net position. (Pages 18-21)

Revenues for the City's governmental activities, excluding transfers from other funds, totaled $22.7 million, with property taxes encompassing 47.7% of the total. Intergovernmental revenues include $3.1 million in state shared revenue and grants which account for 13.6% of annual revenues. Operating grants and capital grants and contributions totaled $2.7 million, which factors 11.9% of the total. Charges for services totaled $3.4 million and accounts for 15.0% of total revenues, which include solid waste, environmental fees, permits, licenses and miscellaneous fees.

Governmental activities expensed $19.6 million in 2025 compared to $19.3 million in 2024. Public Safety and Public Works represent 50.6% of total expenses.

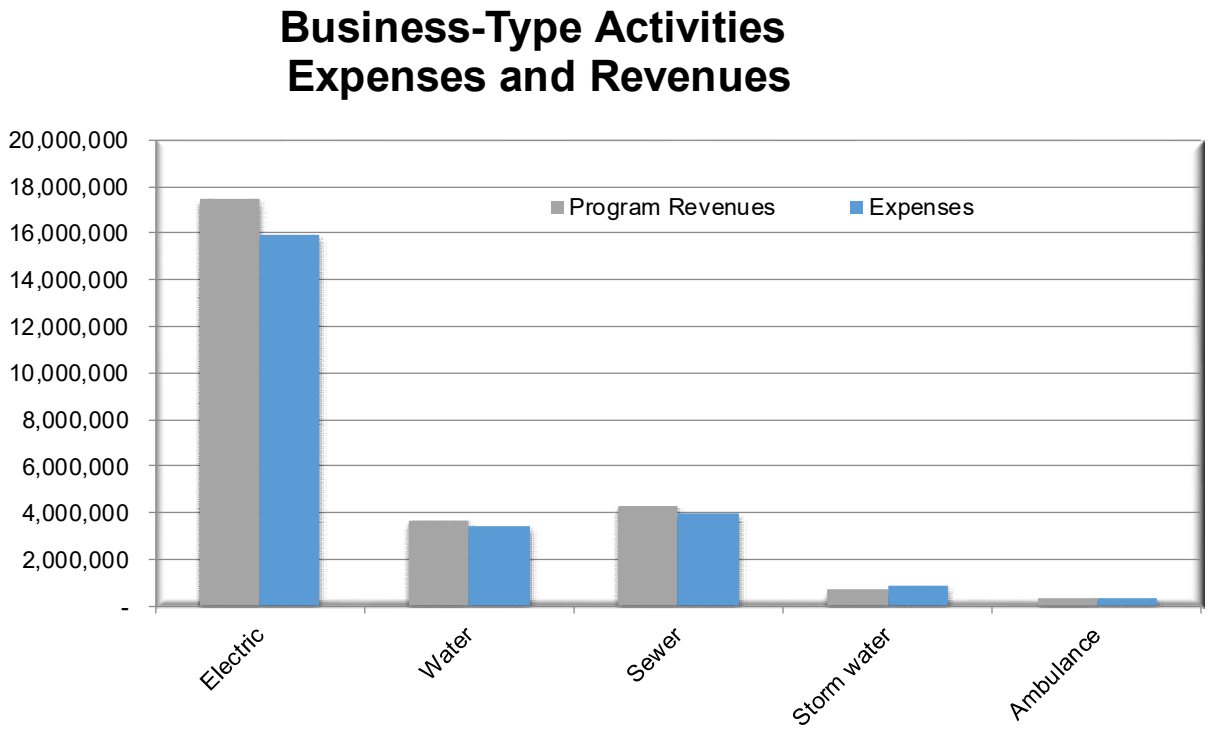
The accompanying graph exhibits the governmental activities expenses in comparison to program revenues exclusive of all grants and contributions as well as program and general revenues by source.





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 $0.5 million. Due to the enterprise nature of these activities, 92.4% of total revenues are generated by charges for services. In 2025, business-type activities recognized $1.3 million in capital grants and contributions, primarily from construction contribution. The graph on the following page outlines the revenues and expenditures by fund.



Key elements of the business-type activities in 2025 are as follows:

Electric

- The utility closed the year with net position of $24.4 million.
  - Of this amount, $19.2 million is net investment in capital assets.
  - Unrestricted net position was $4.9 million.

Water

- The utility closed the year with net position of $22.8 million.
  - Of this amount, $18.5 million is net investment in capital assets.
  - Unrestricted net position was $3.7 million.

Sewer

- The utility closed the year with net position of $27.9 million.
  - Of this amount, $23.0 million is net investment in capital assets.
  - Unrestricted net position was $3.3 million.

Nonmajor Enterprise Funds

Storm Water

- The utility closed the year with net position of $8.0 million.
  - Of this amount, $7.7 million is net investment in capital assets.
  - Unrestricted net position was $0.3 million.

Ambulance

- The fund closed the year with net position of $0.4 million.
  - Of this amount, $0.2 million is net investment in capital assets.
  - Unrestricted net position was $0.3 million.

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 $18.7 million; an increase of $3.8 million from the prior year. The General Fund ended the year with $7.8 million in unassigned fund balance which is available to meet the City's current and future needs. An additional $6.4 million is considered non-spendable in the General Fund which consists mainly of advances to other funds.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities on December 31, 2025, amounted to $165.0 million (net of accumulated depreciation), an increase of $5.2 million from 2024. 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 65-68 in the notes to the financial statements.

Long-Term Debt

As of December 31, 2025, the City had $35.9 million of general obligation bonds and promissory notes outstanding. Of this total, $23.5 million will be paid by governmental revenues and $12.4 million will be paid from business-type activity revenues. Amounts due within one year are $2.3 million.

As of December 31, 2025, the City had $13.9 million of revenue bonds outstanding. Of this total, $4.9 million will be paid by governmental revenues and $9.0 million will be paid from business-type activity revenues. Amounts due within one year are $0.8 million.

The City did not issue any new long-term debt in 2025.

Further details of the City's long-term debt activity can be found in the notes to the financial statements within Note 6- Long Term Obligations starting on page 72.

ECONOMIC FACTORS AND THE 2025-2026 BUDGET AND RATES

The 2025-2026 budget was approved by the City Council in November 2024. The 2025 property tax levy is $8,479,098. 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 2025 final assessed values of $1,947,797,000 reflects the results of a full community revaluation of assessed property values. The ratio of assessed values to equalized (market) was at 76% for 2024 and 95% for 2025.

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.

BASIC FINANCIAL STATEMENTS

CITY OF RIVER FALLS
STATEMENT OF NET POSITION
DECEMBER 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Business Improvement District
ASSETS				
Cash and Investments	$ 19,364,111	$ 9,988,373	$ 29,352,484	$ 80,042
Taxes Receivables, Net	11,139,389	8,009	11,147,398	-
Special Assessments Receivable	53,733	-	53,733	42,000
Notes Receivable, Net	301,392	-	301,392	-
Accounts Receivable, Net	401,072	2,421,791	2,822,863	-
Lease Receivable	-	1,412,005	1,412,005	-
Interest Receivable	18,529	-	18,529	-
Due from Other Governments	1,318,096	52,835	1,370,931	-
Internal Balances	3,484,442	(3,484,442)	-	-
Prepaid Items	95,286	941,389	1,036,675	-
Restricted Assets:				
Cash and Investments	1,404,995	4,082,413	5,487,408	-
Capital Assets:				
Land	15,853,849	364,999	16,218,848	-
Construction in Progress	3,526,561	9,929,596	13,456,157	-
Other Capital Assets, Net of Depreciation/Amortization	55,855,636	79,455,713	135,311,349	-
Total Assets	112,817,091	105,172,681	217,989,772	122,042
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflow Related to OPEB Activity	341,824	37,795	379,619	-
Deferred Outflow Related to Pension Activity	4,114,885	1,367,371	5,482,256	-
Deferred Charge on Refunding	97,842	-	97,842	-
Total Deferred Outflows of Resources	4,554,551	1,405,166	5,959,717	-
LIABILITIES				
Accounts Payable and Accrued Expenses	997,054	1,548,854	2,545,908	-
Accrued Liabilities	354,819	318,100	672,919	-
Customer Deposits	196,355	133,114	329,469	-
Unearned Revenue	9,885	-	9,885	-
Net Pension Liability - Due in More Than One Year	699,135	232,322	931,457	-
Total OPEB Liability - Due in More Than One Year	890,315	98,441	988,756	-
Due Within One Year	2,456,786	1,409,576	3,866,362	-
Due in More Than One Year	27,292,569	20,899,842	48,192,411	-
Total Liabilities	32,896,918	24,640,249	57,537,167	-

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF NET POSITION (CONTINUED)
DECEMBER 31, 2025

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Totals	Business Improvement District
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflow - Lease	$ -	$ 1,386,384	$ 1,386,384	$ -
Succeeding Year's Property Taxes	11,139,389	-	11,139,389	-
Deferred Inflows Related to OPEB Activity	241,669	26,721	268,390	-
Deferred Inflows Related to Pension Activity	2,062,596	685,398	2,747,994	-
Total Deferred Inflows of Resources	13,443,654	2,098,503	15,542,157	-
NET POSITION				
Net Investment in Capital Assets	52,008,121	68,731,617	120,739,738	-
Restricted for:				
Debt Service Payments	-	1,125,371	1,125,371	-
Impact Fee Projects	1,130,675	-	1,130,675	-
Library Trust	975,943	-	975,943	-
Housing	610,199	-	610,199	-
Parking Improvements	42,694	-	42,694	-
Refuse/Solid Waste	134,623	-	134,623	-
Environmental Fee	3,164,117	-	3,164,117	-
Library	499,795	-	499,795	-
Streetlight	52,289	-	52,289	-
Equipment Replacement	-	1,168,816	1,168,816	-
Tax Increment Districts	1,341,734	-	1,341,734	-
Loan Programs	62,963	-	62,963	-
Business Improvement	-	-	-	122,042
Unrestricted	11,007,917	8,813,291	19,821,208	-
Total Net Position	$ 71,031,070	$ 79,839,095	$ 150,870,165	$ 122,042

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expense) and Changes in Net Position: Governmental Activities	Net Revenue (Expense) and Changes in Net Position: Business-Type Activities	Net Revenue (Expense) and Changes in Net Position: Total	Component Unit
PRIMARY GOVERNMENT								
Governmental Activities:								
General Government	$ 3,536,120	$ 385,008	$ -	$ -	$ (3,151,112)	$ -	$ (3,151,112)	$ -
Public Safety	5,236,555	725,766	94,389	685,902	(3,730,498)	-	(3,730,498)	-
Public Works	4,668,169	1,524,164	853,046	75,860	(2,215,099)	-	(2,215,099)	-
Health Services	2,370	-	-	-	(2,370)	-	(2,370)	-
Development	3,074,611	348,142	10,394	-	(2,716,075)	-	(2,716,075)	-
Culture and Recreation	4,031,128	301,349	465,310	1,482,473	(1,781,996)	-	(1,781,996)	-
Interest	729,825	-	-	-	(729,825)	-	(729,825)	-
Total Governmental Activities	21,278,778	3,284,429	1,423,139	2,244,235	(14,326,975)	-	(14,326,975)	-
Business-Type Activities:								
Water Utility	3,483,142	3,113,242	-	592,428	-	222,528	222,528	-
Sewer Utility	4,030,285	3,884,174	-	382,095	-	235,984	235,984	-
Electric Utility	15,954,642	17,298,680	-	159,172	-	1,503,210	1,503,210	-
Stormwater	849,372	623,753	-	122,601	-	(103,018)	(103,018)	-
Ambulance	341,232	368,257	-	-	-	27,025	27,025	-
Total Business-Type Activities	24,658,673	25,288,106	-	1,256,296	-	1,885,729	1,885,729	-
Total Primary Government	$ 45,937,451	$ 28,572,535	$ 1,423,139	$ 3,500,531	(14,326,975)	1,885,729	(12,441,246)	-
Component Unit:								
Business Improvement District	$ 34,926	$ 42,000	$ -	$ -	$ -	$ -	$ -	$ 7,074
GENERAL REVENUES AND TRANSFERS								
Taxes:								
Property Taxes, Levied for General Purposes					8,238,549	-	8,238,549	-
Property Taxes, Levied for TIF Districts					2,356,004	-	2,356,004	-
Hotel/Motel Room Taxes					217,495	-	217,495	-
Other Taxes					219,872	-	219,872	-
Intergovernmental Revenues Not Restricted to Specific Programs					3,073,698	-	3,073,698	-
Investment Income					1,197,859	685,878	1,883,737	-
Miscellaneous					1,397,629	110,501	1,508,130	-
Gain on Sale of Capital Assets					-	6,150	6,150	-
Transfers					2,230,513	(2,230,513)	-	-
Total General Revenues and Transfers					18,931,619	(1,427,984)	17,503,635	-
CHANGE IN NET POSITION					4,604,644	457,745	5,062,389	7,074
Net Position - Beginning of Year, as previously reported					62,293,476	79,381,350	141,674,826	114,968
Error Correction					4,132,950	-	4,132,950	-
Net Position - Beginning of Year, as Restated					66,426,426	79,381,350	145,807,776	114,968
NET POSITION - END OF YEAR					$ 71,031,070	$ 79,839,095	$ 150,870,165	$ 122,042

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Major Funds			
	General Fund	General Capital Projects	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash and Investments	$ 7,478,003	$ 3,713,632	$ 7,263,921	$ 18,455,556
Receivables:				
Taxes	6,365,337	-	4,774,052	11,139,389
Accounts, Net	74,721	-	300,374	375,095
Loans	-	-	301,392	301,392
Special Assessments	46,099	7,634	-	53,733
Interest	18,529	-	-	18,529
Due from Other Governments	10,226	1,196,543	111,327	1,318,096
Due from Other Funds	769,676	-	-	769,676
Prepaid Items	17,583	-	518	18,101
Advances to Other Funds	6,353,928	470,000	1,870,000	8,693,928
Restricted Assets - Cash and Investments	-	-	1,404,995	1,404,995
Total Assets	$ 21,134,102	$ 5,387,809	$ 16,026,579	$ 42,548,490
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE (DEFICIT)				
LIABILITIES				
Accounts Payable	$ 201,297	$ 624,221	$ 152,432	$ 977,950
Accrued Liabilities	108,297	-	6,286	114,583
Deposits	89,790	101,875	4,690	196,355
Due to Other Funds	-	-	714,773	714,773
Advances from Other Funds	-	-	9,044,303	9,044,303
Unearned Revenue	-	7,634	2,250	9,884
Total Liabilities	399,384	733,730	9,924,734	11,057,848
DEFERRED INFLOWS OF RESOURCES				
Subsequent Years Taxes	6,365,337	-	4,774,052	11,139,389
Unavailable Revenue	49,142	1,196,543	375,002	1,620,687
Total Deferred Inflows of Resources	6,414,479	1,196,543	5,149,054	12,760,076
FUND BALANCE (DEFICIT)				
Nonspendable	6,371,511	-	1,870,518	8,242,029
Restricted	-	-	6,187,637	6,187,637
Committed	130,242	3,457,536	383,675	3,971,453
Unassigned (Deficit)	7,818,486	-	(7,489,039)	329,447
Total Fund Balance	14,320,239	3,457,536	952,791	18,730,566
Total Liabilities, Deferred Inflows of Resources, and Fund Balance (Deficit)	$ 21,134,102	$ 5,387,809	$ 16,026,579	$ 42,548,490

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
RECONCILIATION OF THE BALANCE SHEET – GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2025

Total Governmental Fund Balances		$ 18,730,566
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the fund statements. Capital assets at year-end (excluding internal service funds) consist of:		
Construction in Progress	$ 3,526,561	
Land	15,853,849	
Other Capital Assets, Net of Depreciation/Amortization	55,855,636	
Less: Internal Service Fund Included Below	(180,594)	75,055,452
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences:		
(Premium) Discount on Debt		(759,223)
Deferred Charge on Refunding of Debt		97,842
Special assessments, loans receivable, and various other receivables are reported as unavailable revenue in the fund financial statements and are recognized as revenue when earned in the government-wide financial statements. See Note III.B.		1,620,687
The net pension asset (liability) does not relate to current financial resources and is not reported in the governmental funds.		(663,197)
The net OPEB liability does not relate to current financial resources and is not reported in the governmental funds.		(890,315)
Some deferred outflows of resources do not relate to current financial resources and are not reported in the governmental funds.		
Deferred Outflows - OPEB Related Amounts		341,824
Deferred Outflows - Pension Related Amounts		3,903,363
Some deferred inflows of resources do not relate to current financial resources and are not reported in the governmental funds.		
Deferred Inflows - OPEB Related Amounts		(241,669)
Deferred Inflows - Pension Related Amounts		(1,956,570)
Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.		4,990,173
Long-term liabilities, including bonds and notes payable, are not due in the current period and, therefore, are not reported in the fund statements. Long-term liabilities at year-end (excluding internal service funds) consist of:		
General Obligation Debt	(23,460,182)	
Revenue Bond Anticipation Note	(4,933,000)	
Landfill postclosure care cost	(55,891)	
Vested Compensated Absences	(514,292)	
Accrued Interest on General Obligation Debt	(234,498)	(29,197,863)
Net Position of Governmental Activities		$ 71,031,070

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Major Funds					
	General Fund	Tax Increment District #10	Tax Increment District #19	General Capital Projects	Other Nonmajor Funds	Total Governmental Funds
REVENUES						
Taxes	$ 6,072,221	$ -	$ -	$ 126,700	$ 4,722,393	$ 10,921,314
Special Assessments	27	-	-	-	2,500	2,527
Intergovernmental	4,150,827	-	-	921,879	1,189,773	6,262,479
Licenses and Permits	407,061	-	-	-	-	407,061
Fines and Forfeitures	144,622	-	-	-	-	144,622
Fees and Charges for Services - Public	505,364	-	-	89,125	1,704,565	2,299,054
Investment Income (Loss)	471,311	-	-	148,681	544,426	1,164,418
Miscellaneous	272,308	-	-	101,194	1,055,677	1,429,179
Total Revenues	12,023,741	-	-	1,387,579	9,219,334	22,630,654
EXPENDITURES						
Current:						
General Government	2,025,813	-	-	-	104,071	2,129,884
Public Safety	4,967,811	-	-	-	-	4,967,811
Public Works	2,663,949	-	-	-	1,450,611	4,114,560
Health Services	2,370	-	-	-	-	2,370
Culture and Recreation	985,323	-	-	-	1,300,120	2,285,443
Development	1,131,500	-	-	-	1,906,732	3,038,232
Capital Outlay	-	-	-	2,733,379	1,685,681	4,419,060
Debt Service:						
Principal	97,500	-	-	34,424	1,809,665	1,941,589
Interest	14,928	-	-	1,118	1,198,076	1,214,122
Total Expenditures	11,889,194	-	-	2,768,921	9,454,956	24,113,071
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	134,547	-	-	(1,381,342)	(235,622)	(1,482,417)
OTHER FINANCING SOURCES (USES)						
Transfers from Other Funds	2,228,176	-	-	816,626	1,238,277	4,283,079
Transfers to Other Funds	(2,069,238)	-	-	-	(1,218,033)	(3,287,271)
Proceeds from Sale of Capital Assets	19,093	-	-	195,520	-	214,613
Total Other Financing Sources (Uses)	178,031	-	-	1,012,146	20,244	1,210,421
NET CHANGE IN FUND BALANCE	312,578	-	-	(369,196)	(215,378)	(271,996)
Fund Balances (Deficit) - Beginning of Year, As Originally Reported	14,007,661	(2,856,326)	1,535,633	(306,218)	2,488,862	14,869,612
Error Correction	-	-	-	4,132,950	-	4,132,950
Change Within Financial Reporting Entity - Major to Nonmajor Fund	-	2,856,326	(1,535,633)	-	(1,320,693)	-
Fund Balances (Deficit) - Beginning of Year, As Adjusted	14,007,661	-	-	3,826,732	1,168,169	19,002,562
FUND BALANCES (DEFICIT) - END OF YEAR	$ 14,320,239	$ -	$ -	$ 3,457,536	$ 952,791	$ 18,730,566

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

Net Change in Fund Balances - Total Government Funds	$	(271,996)
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Government funds report capital outlays as expenditures. However, in the Statement of Activities the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		
Capital Outlay is Capitalized in the Government-Wide Statements		4,472,731
Depreciation is Reported in the Government-Wide Statements		(1,936,926)
In the Statement of Activities, the gain or loss on disposal of capital assets is reported. In the fund statements, proceeds from the sale of capital assets are reported because the proceeds increase financial resources. This is the amount of net book value of capital asset disposals.		(488,762)
Receivables not currently available are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements. This amount is the change in the following unavailable revenue categories:		
Delinquent Personal Property Taxes Receivable		101
Accounts Receivable		33,764
Loan Receivable		(112,516)
Grants Receivable		961,949
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. This amount is the change in the following assets and liabilities:		
Compensated Absences		(104,826)
Landfill postclosure care costs		15,780
Other Postemployment Benefit Liability (and OPEB Related Deferred Outflows/Inflows of Resources)		(117,515)
Net Pension Liability (and Pension Related Deferred Outflows/Inflows of Resources)		(355,926)
Internal service funds are used by management to charge the costs of risk management and central equipment to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.		82,900
Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position. This is the amount of principal payments paid.		1,941,589
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.		206,830
Governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. These amounts are the net effect of these differences:		
Amortization of Premium (Discount)		307,572
Change in Deferred Charge on Refunding		(30,105)
Net Change in Net Position - Governmental Activities	$	4,604,644

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF NET POSITION – ENTERPRISE FUNDS
DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Electric Utility	Nonmajor Enterprise Funds	Total	
ASSETS						
Current Assets:						
Cash and Investments	$ 3,297,457	$ 2,864,313	$ 3,245,746	$ 580,857	$ 9,988,373	$ 908,555
Taxes Receivable	-	-	8,009	-	8,009	-
Leases Receivable	68,871	-	-	31,141	100,012	
Other Accounts Receivables, Net of Allowances	265,756	386,039	1,711,088	58,908	2,421,791	25,977
Due from Other Governments	-	-	-	52,835	52,835	-
Prepaid Supplies and Materials	-	-	930,268	-	930,268	-
Prepaid Items	600	600	9,321	600	11,121	77,185
Restricted Cash and Investments	-	1,127,555	-	-	1,127,555	-
Total Current Assets	3,632,684	4,378,507	5,904,432	724,341	14,639,964	1,011,717
Noncurrent Assets:						
Restricted Assets:						
Cash and Investments	583,293	2,066,388	305,177	-	2,954,858	-
Leases Receivable, less current portion	1,129,938	-	-	182,055	1,311,993	-
Advances to Other Funds	215,375	105,000	30,000	-	350,375	-
Nonutility Property	-	17,200	-		17,200	-
Capital Assets:						
Construction in Progress	17,369	8,860,449	888,522	163,256	9,929,596	-
Land	23,119	117,622	122,960	101,298	364,999	-
Property and Equipment	33,503,858	42,375,970	38,684,251	11,731,907	126,295,986	767,284
Less: Accumulated Depreciation	(9,779,569)	(13,628,584)	(19,384,641)	(4,064,679)	(46,857,473)	(586,690)
Total Capital Assets, Net Accumulated Depreciation	23,764,777	37,725,457	20,311,092	7,931,782	89,733,108	180,594
Total Noncurrent Assets	25,693,383	39,914,045	20,646,269	8,113,837	94,367,534	180,594
Total Assets	29,326,067	44,292,552	26,550,701	8,838,178	109,007,498	1,192,311
DEFERRED OUTFLOWS OF RESOURCES						
Other Postemployment Benefit Related Amounts	-	-	37,795	-	37,795	-
Pension Related Amounts	291,489	369,660	678,723	27,499	1,367,371	211,522
Total Deferred Outflows of Resources	291,489	369,660	716,518	27,499	1,405,166	211,522

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF NET POSITION – ENTERPRISE FUNDS (CONTINUED)
DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Electric Utility	Nonmajor Enterprise Funds	Total	
LIABILITIES						
Current Liabilities:						
Accounts Payable	$ 29,994	$ 518,827	$ 926,516	$ 73,517	$ 1,548,854	$ 19,105
Accrued Liabilities	13,274	17,952	55,621	1,270	88,117	5,738
Accrued Compensated Absences	40,874	40,751	112,838	15,113	209,576	26,767
Deposits	7,350	-	18,564	107,200	133,114	-
Due to Other Funds	-	-	-	-	-	54,903
Current Portion of General Obligation Debt	-	350,000	50,000	-	400,000	-
Liabilities Payable from Restricted Assets:						
Current Portion of Revenue Bonds	300,000	225,000	275,000	-	800,000	-
Accrued Interest	41,836	181,772	6,375	-	229,983	-
Total Current Liabilities	433,328	1,334,302	1,444,914	197,100	3,409,644	106,513
Noncurrent Liabilities						
Revenue Bonds Payable	4,905,000	2,655,000	575,000	-	8,135,000	-
General Obligation Debt	-	12,095,000	183,333	-	12,278,333	-
Unamortized Debt Premium	78,065	388,017	20,427	-	486,509	-
Other Postemployment Benefits	-	-	98,441	-	98,441	-
Pension Liability	49,525	62,807	115,318	4,672	232,322	35,938
Total Noncurrent Liabilities	5,032,590	15,200,824	992,519	4,672	21,230,605	35,938
Total Liabilities	5,465,918	16,535,126	2,437,433	201,772	24,640,249	142,451
DEFERRED INFLOWS OF RESOURCES						
Leases	1,198,809	-	-	187,575	1,386,384	-
Deferred Inflows Related to OPEB	-	-	26,721	-	26,721	-
Deferred Inflows Related to Pension	146,110	185,293	340,211	13,784	685,398	106,026
Total Deferred Inflows of Resources	1,344,919	185,293	366,932	201,359	2,098,503	106,026
NET POSITION						
Net Investment in Capital Assets	18,544,016	23,077,965	19,218,688	7,890,948	68,731,617	-
Restricted for:						
Debt Service Payments	518,021	309,375	297,975	-	1,125,371	-
Equipment Replacement	-	1,168,816	-	-	1,168,816	-
Unrestricted (Deficit)	3,744,682	3,385,637	4,946,191	571,598	12,648,108	1,155,356
Total Net Position	$ 22,806,719	$ 27,941,793	$ 24,462,854	$ 8,462,546	83,673,912	$ 1,155,356
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(3,834,817)	
NET POSITION OF BUSINESS-TYPE ACTIVITIES					$ 79,839,095	

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION – ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Business-type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Electric Utility	Nonmajor Enterprise Funds	Total	
OPERATING REVENUES						
Charges for Services	$ 3,113,242	$ 3,884,174	$ 17,298,680	$ 992,010	$ 25,288,106	$ 349,689
Total Operating Revenues	3,113,242	3,884,174	17,298,680	992,010	25,288,106	349,689
OPERATING EXPENSES						
Operations and maintenance	2,530,749	2,627,747	14,547,818	978,443	20,684,757	1,694,581
Depreciation	705,181	751,233	1,337,345	210,946	3,004,705	23,352
Total Operating Expenses	3,235,930	3,378,980	15,885,163	1,189,389	23,689,462	1,717,933
OPERATING INCOME (LOSS)	(122,688)	505,194	1,413,517	(197,379)	1,598,644	(1,368,244)
NONOPERATING REVENUES (EXPENSES)						
Intergovernmental Grants	-	-	-	122,601	122,601	-
Investment Income	177,413	338,673	128,470	41,322	685,878	44,144
Gain (Loss) on Sale of Capital Assets	1,350	4,800	-	-	6,150	-
Interest and Fiscal Charges	(227,340)	(635,827)	(28,563)	-	(891,730)	-
Amortization of debt premium	4,900	24,628	8,541	11,364	49,433	-
Miscellaneous	595	8,289	52,184	-	61,068	94,814
Total Nonoperating Revenues (Expenses)	(43,082)	(259,437)	160,632	175,287	33,400	138,958
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(165,770)	245,757	1,574,149	(22,092)	1,632,044	(1,229,286)
TRANSFERS						
Transfers from Other Funds	-	-	-	-	-	1,658,045
Transfers to Other Funds	(690,947)	(263,698)	(911,036)	(364,832)	(2,230,513)	(423,340)
Total Transfers	(690,947)	(263,698)	(911,036)	(364,832)	(2,230,513)	1,234,705
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(856,717)	(17,941)	663,113	(386,924)	(598,469)	5,419
Capital Contributions	592,428	382,095	159,172	-	1,133,695	-
CHANGE IN NET POSITION	(264,289)	364,154	822,285	(386,924)	535,226	5,419
Net Position - Beginning of Year	23,071,008	27,577,639	23,640,569	8,849,470		1,149,937
NET POSITION - END OF YEAR	$ 22,806,719	$ 27,941,793	$ 24,462,854	$ 8,462,546		$ 1,155,356
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.					(77,481)	
CHANGE IN NET POSITION OF BUSINESS-TYPE ACTIVITIES					$ 457,745	

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities
	Water Utility	Sewer Utility	Electric Utility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Cash Received from Customers	$ 2,813,809	$ 3,843,491	$ 17,153,983	$ 994,944	$ 24,806,227	$ 323,885
Cash Payments to Suppliers for Goods and Services	(1,492,582)	(1,205,239)	(12,627,012)	(582,797)	(15,907,630)	(857,092)
Cash Payments to Employees for Services	(858,872)	(1,202,173)	(1,841,824)	(320,685)	(4,223,554)	(809,472)
Net Cash Provided (Used) by Operating Activities	462,355	1,436,079	2,685,147	91,462	4,675,043	(1,342,679)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Operating Grants Received	-	-	-	133,965	133,965	-
Transfers In from Other Funds	-	-	-	-	-	1,096,201
Transfers Out to Other Funds	(690,947)	(263,698)	(911,036)	(386,992)	(2,252,673)	(423,340)
Net Cash Provided (Used) by Noncapital Financing Activities	(690,947)	(263,698)	(911,036)	(253,027)	(2,118,708)	672,861
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Debt Retirement	(285,000)	(584,544)	(315,000)	-	(1,184,544)	-
Interest and Fiscal Charges Paid	(229,091)	(631,082)	(30,550)	-	(890,723)	-
Capital Related Transfers from Other Funds	-	-	-	-	-	564,188
Acquisition and Construction of Capital Assets	(18,496)	(4,203,766)	(1,214,869)	(85,061)	(5,522,192)	(11,526)
Cash Received for Capital Contribution	592,428	-	-	-	592,428	-
Proceeds from Sale of Capital Assets	1,350	-	-	-	1,350	-
Net Cash Used by Capital Financing Activities	61,191	(5,419,392)	(1,560,419)	(85,061)	(7,003,681)	552,662
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest and Dividends on Investments	177,413	338,673	128,470	41,322	685,878	138,958
NET CHANGE IN CASH AND CASH EQUIVALENTS	10,012	(3,908,338)	342,162	(205,304)	(3,761,468)	21,802
Cash, Investments, and Cash Equivalents - Beginning of Year	3,870,738	9,966,594	3,208,761	786,161	17,832,254	886,753
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR	$ 3,880,750	$ 6,058,256	$ 3,550,923	$ 580,857	$ 14,070,786	$ 908,555
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents per Statement of Net Position	$ 3,297,457	$ 2,864,313	$ 3,245,746	$ 580,857	$ 9,988,373	$ 908,555
Restricted Cash and Cash Equivalents:						
Current	-	1,127,555	-	-	1,127,555	-
Noncurrent	583,293	2,066,388	305,177	-	2,954,858	-
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	$ 3,880,750	$ 6,058,256	$ 3,550,923	$ 580,857	$ 14,070,786	$ 908,555

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF CASH FLOWS – ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Business-Type Activities - Enterprise Funds					Governmental Activities Internal Service Funds
	Water Utility	Sewer Utility	Electric Utility	Nonmajor Enterprise Funds	Total	
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES						
Operating Income (Loss)	$ (122,688)	$ 505,194	$ 1,413,517	$ (197,379)	$ 1,598,644	$ (1,368,244)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Noncash Items Included in Income:						
Difference between Deferred Outflows Related to:						
Depreciation	705,181	751,233	1,337,345	210,946	3,004,705	23,352
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:						
Taxes Receivable	-	-	(5,419)	-	(5,419)	-
Accounts Receivable	(299,433)	(40,683)	(137,582)	28,555	(449,143)	(25,804)
Prepaid Supplies and Materials	-	-	44,328	-	44,328	-
Prepaid Items	(1)	(1)	5,669	(600)	5,067	(1,725)
Lease Receivable	-	-	-	16,596	16,596	-
Accounts Payable	6,416	237,074	13,579	7,606	264,675	10,950
Other Liabilities	1,047	3,923	14,092	3,379	22,441	(7,883)
Deferred Inflow - Lease	205,783	-	-	(42,217)	163,566	-
Other Postemployment Benefit Related Deferrals and Liability	(294)	(295)	1,797	(76,803)	(75,595)	(51,951)
Pension Related Deferrals and Asset/Liability	(33,656)	(20,366)	(483)	136,379	81,874	78,626
Deposits	-	-	(1,696)	5,000	3,304	-
Total Adjustments	585,043	930,885	1,271,630	288,841	3,076,399	25,565
Net Cash Provided (Used) by Operating Activities	$ 462,355	$ 1,436,079	$ 2,685,147	$ 91,462	$ 4,675,043	$ (1,342,679)
NONCASH CAPITAL, INVESTING, AND FINANCING ACTIVITIES						
Developers, customers, and other funds contributed capital assets of $592,438 to the Water Utility						
accounts payable for capital assets acquired prior to December 31, 2025	$ 17,701	$ 32,981	$ 7,650	$ -	$ 58,332	

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2025

	Custodial Fund
ASSETS	
Cash and Investments	$ 3,605,902
Taxes Receivable	16,295,379
Total Assets	19,901,281
DEFERRED INFLOWS OF RESOURCES:	
Subsequent Year Tax Roll	19,901,281
NET POSITION	
Restricted - for Other Governments	$ -

See accompanying Notes to Basic Financial Statements.

CITY OF RIVER FALLS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
YEAR ENDED DECEMBER 31, 2025

	Custodial Fund
ADDITIONS	
Tax Collections for Other Governments	$ 12,861,566
DEDUCTIONS	
Payments of Taxes to Other Governments	12,861,566
CHANGE IN NET POSITION	-
Net Position - Beginning of Year	-
NET POSITION - END OF YEAR	$ -

See accompanying Notes to Basic Financial Statements.

NOTE 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 governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB). The significant accounting principles and policies utilized by the City are described below:

A. Reporting Entity

This report includes all 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, and (3) the organization is fiscally dependent on and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. Certain legally separate, tax-exempt organizations should also be reported as a component unit if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government or its component units, is entitled to, or has the ability to access, a majority of the economic resources received or held by the separate organization; and (3) the economic resources received or held by an individual organization that the primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to the primary government.

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

Discretely Presented Component Unit

- **Business Improvement District (BID)**. The government-wide financial statements include the Business Improvement District (BID) as a component unit. The BID board 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 8). As a component unit, the BID's financial statements have been presented as a discrete column on the financial statements. The information presented is for the fiscal year ended December 31, 2025. Separate financial statements are not issued by the BID.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for custodial 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Fund Financial Statements

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

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

1. 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 the category or type, and
2. 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.
3. 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. note 1 summary of significant accounting policies (continued)

Separate financial statements are provided for governmental funds, proprietary funds. and custodial 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The City reports the following major governmental funds:

General Fund

Accounts for the City's primary operating activities. It is used to account for and report all financial resources except those required to be accounted for in another fund.

Capital Projects Fund

Accounts for and reports proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The City reports the following major enterprise funds:

Water Utility

Accounts for the construction, operations, and maintenance of the municipal water pumping, treatment, and distribution systems.

Sewer Utility

Accounts for the construction, operations, and maintenance of the municipal sewage collection and treatment system.

Electric Utility

Accounts for the construction and operation of the City's electric system.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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).

- 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 #10
- Tax Increment District #11
- Tax Increment District #12
- Tax Increment District #13
- Tax Increment District #14
- Tax Increment District #15
- Tax Increment District #16
- Tax Increment District #17
- Tax Increment District #18
- Tax Increment District #19
- Library
- Commercial Revolving Loan Fund
- Park Impact Fees
- Library Impact Fees
- Fire Impact Fees
- Housing Reserve
- Library Trust Fund
- Tourism and Economic Development
- Streetlight
- City Grant

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

B. Government-Wide and Fund Financial Statements (Continued)

Debt Service Funds

Used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the payment of general long-term debt principal, interest, and related costs.

Capital Projects Funds

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

May be used to 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

Are used to account for 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

Are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

- Custodial Fund

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. 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 water, sewer, and electric 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

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 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, and 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fund Financial Statements (Continued)

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

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 Water Utility, Sewer Utility, Electric Utility and other enterprise funds 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.

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

1. 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.

Investments of City funds are restricted by state statutes. Available investments are limited to:

1. Time deposits in any credit union, bank, savings bank or trust company.
2. Bonds or securities of any county, city, drainage district, technical college district, village, town, or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority, or the Wisconsin Aerospace Authority.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

1. Deposits and Investments (Continued)

3. Bonds or securities issued or guaranteed by the federal government.
4. The local government investment pool.
5. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
6. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
7. Repurchase agreements with public depositories, with certain conditions.

Investments 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 -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 by security type, institution and terms of maturity to reduce portfolio risk.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

1. Deposits and Investments (Continued)

Concentration of Credit Risk (Continued)

Investments shall be diversified by:

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 issued 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 66.0603 (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.

Fair Value

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

2. 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 local school districts 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 assets and liabilities – custodial fund.

Property tax calendar – 2025 tax roll:

Lien Date and Levy Date	December 2025
Tax Bills Mailed	December 2025
Payment in Full, or	January 31, 2026
First Installment Due	January 31, 2026
Second Installment Due	July 31, 2026
Personal Property Taxes in Full	January 31, 2026
Tax Sale – 2025 Delinquent Real Estate Taxes	October 2028

Accounts receivable have been shown net of an allowance for uncollectible accounts. Delinquent real estate taxes as of July 31 are paid in full by the county, which assumes the collection thereof. No provision for uncollectible accounts receivable has been made for the Water, Sewer, and Electric Utilities because they have the right by law to place delinquent bills on the tax roll, and other delinquent bills are generally not significant. The General Fund has recorded an allowance of $26,508.

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 restricted fund balance account, if the funds will ultimately be restricted when the advance is repaid.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

2. Receivables (Continued)

Lease Receivable

The City is the lessor for noncancellable leases of water towers and ambulance building space. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and proprietary fund financial statements.

3. Prepaid Items and Prepaid Supplies and Materials

Governmental fund prepaid materials and supplies, if material, are recorded at cost based on the first-in, first-out (FIFO) method using the consumption method of accounting. Proprietary fund prepaid materials and supplies are generally used for construction and for operation and maintenance work. They are not for resale. They are valued at cost based on weighted average and charged to construction or operation and maintenance expense when used.

Certain payments to vendors reflect the costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements using the consumption method.

4. Restricted Assets

Mandatory segregation 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

5. 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 for general capital assets and $100,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Additions to and replacements of capital assets of are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. 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 of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings	25 to 75 Years
Land Improvements	25 Years
Machinery and Equipment	10 to 40 Years
Utility System	4 to 100 Years
Intangibles	3 to 20 Years
Infrastructure	50 to 70 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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

6. Deferred Outflows of Resources

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The category of deferred outflow of resources reported in the statement of net position is related to pensions, other postemployment benefits, and a deferred charge on refunding.

A deferred change on refunding arises from refunding of debt. The difference between the cost of the securities placed in trust for future payment of 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 statements.

7. Compensated Absences

The liability for compensated absences reported in the government-wide and proprietary fund statements consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The liability also includes amounts for leave that has been used for time off but has not yet been paid in cash or settled through noncash means and certain other types of leave.

8. Long-Term Obligations

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

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

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

8. Long-Term Obligations (Continued)

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

9. Deferred Inflows of Resources

In addition to liabilities, the statement of net position and the proprietary funds statement of net position include a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets or fund balance that applies to a future periods and so will not be recognized as an inflow of resources (revenue) until that time. In the government-wide financial statements and proprietary fund statements, the City's deferred inflows of resources reported on the statement of net position relate to pension and other postemployment benefits and leases. The lease related deferred inflow of resources is recorded in an amount equal to the corresponding lease receivable plus any payments received at or before the start of the lease term that relates to future periods, less any lease incentives paid to, or on behalf of the lessee at or before the commencement of the lease term. The inflow of resources is recognized in a systematic and rational manner over the term of the lease.

Under the modified accrual basis of accounting, deferred inflows of resources also include revenues not collected within the availability period after the fiscal year-end. The City has reported deferred inflows of resources related to unavailable revenues for property taxes, grants, and special assessments. These amounts are deferred and will be recognized as an inflow of resources in the period that amounts become available.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

10. 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 position that does not meet the definition 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 debt of the governmental activities.

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.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

10. Equity Classifications (Continued)

Fund Statements

Governmental fund equity is classified as fund balance and 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 balances amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority. Fund balance amounts are committed through a formal action (resolution) of the city council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the city council that originally created the commitment.
d. Assigned – Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The city 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.

In cases where multiple types of fund balance are available to pay for expenditures, restricted resources will be used first, followed by committed, assigned, and finally unassigned.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

10. Equity Classifications (Continued)

Fund Statements (Continued)

The City has adopted a minimum fund balance policy. The policy is to maintain unassigned fund balance at a level equal to a minimum of 40% of the ensuing year's budgeted General Fund expenditures, with a target of 50% for cash flow and contingency purposes. The balance at year-end was $7,818,486 or 65.76%, and included as unassigned General Fund balance.

See Note 7 for further information.

11. Pension

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

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

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

13. Single Employer Postemployment Benefits Other than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, the City's single-employer defined benefit retiree healthcare plan recognizes benefit payments when due and payable in accordance with the benefit terms.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

14. Basis for Existing Rates

Water Utility

Current rates in Water Utility were approved by the Public Service Commission of Wisconsin and effective February 3, 2025.

Electric Utility

Current rates in Electric Utility were approved by the Public Service Commission of Wisconsin and effective June 1, 2025.

Sewer Utility

Current rates in the Sewer Utility were approved by the City Council on November 12, 2024 and effective January 1, 2025.

Storm Water Utility

Current rates in the Storm Water Utility were approved by the City Council and effective April 1, 2007.

15. Adjustments to and Restatements of Beginning Balances

During fiscal year 2025, changes to or within the financial reporting entity and an error correction resulted in adjustments to and restatements of beginning net position and fund balance, as follows:

Change in Fund Presentation from Major to Nonmajor
The Tax Increment District #10 and Tax Increment #19 funds previously met the criteria to be reported as major governmental funds. However, effective January 1, 2025, the funds no longer met the criteria to be reported as major funds and are reported as nonmajor governmental funds for the year ended December 31, 2025. The effect of that change to or within the financial reporting entity is shown in the table below.

Correction of an Error in Previously Issued Financial Statements
During 2025, the City determined that unearned revenue for the General Capital Projects Fund and Governmental Activities was overstated, resulting in miscellaneous revenue being understated in previous years in the amount of $4,132,953. This error was due to improper revenue recognition processes in those opinion units. The effect of correcting that error is shown in the table below.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity (Continued)

15. Adjustments to and Restatements of Beginning Balances (Continued)

	December 31, 2024, Net Position/Fund Balance as Previously Reported	Error Correction	Change to or Within the Financial Reporting Entity	January 1, 2025, Net Position/Fund Balance as Previously Reported
Government-Wide:				
Governmental Activities	$ 62,293,476	$ 4,132,950	$ -	$ 66,426,426
Total Government-Wide	62,293,476	4,132,950	-	66,426,426
Governmental Funds Major:				
General Fund	14,007,661	-	-	14,007,661
General Capital Projects Fund	(306,221)	4,132,950	-	3,826,729
Tax Increment District #10	(2,856,326)	-	2,856,326	-
Tax Increment District #19	1,535,633	-	(1,535,633)	-
Governmental Funds Nonmajor:				
Nonmajor Special Revenue Funds	2,488,863	-	(1,320,693)	1,168,170
Total Restatement	$ 14,869,610	$ 4,132,950	$ -	$ 19,002,560

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Limitations on the City 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.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Deficit Balances

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

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

Fund	Amount	Reason
Shared Ride Taxi	$ 93,762	Insufficient revenues to cover expenditures
TID #6	963,017	Insufficient tax increment generated
TID #8	136,732	Insufficient tax increment generated
TID #9	188,378	Insufficient tax increment generated
TID #10	2,592,863	Insufficient tax increment generated
TID #11	307,370	Insufficient tax increment generated
TID #12	478,490	Insufficient tax increment generated
TID #14	433,934	Insufficient tax increment generated
TID #16	887,310	Insufficient tax increment generated
TID #17	398,340	Insufficient tax increment generated
TID #18	509,101	Insufficient tax increment generated
Tourism and Economic Development	397,729	Costs exceeded revenues due to purchase of property
City Grant	102,013	Insufficient revenues to cover expenditures

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the district, 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.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Deposits and Investments

The City maintains a cash and investment pool for all funds and component units which is recorded on the statement of net position as follows:

Per Statement of Net Position:	
Cash and Investments	$ 29,432,526
Restricted Cash and Investments	5,487,408
Per Statement of Assets and Liabilities - Custodial Fund	3,605,902
Total	$ 38,525,836

Total Cash and Investments Consist of the Following:	
Petty Cash and Cash on Hand	$ 322
Deposits with Financial Institutions	6,394,208
Investments	32,131,306
Total Cash and Investments	$ 38,525,836

Deposits

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

	Carrying Value	Bank Balance	Associated Risks
Demand Deposits	$ 6,394,208	$ 6,861,930	Custodial Credit Risk

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 amounts (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 deposits.

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

The City maintains collateral agreements with its bank. At December 31, 2025, the bank had obtained a letter of credit in the amount of $6,500,000 to secure the City's deposits.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments

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

	Carrying Value	Associated Risks
Asset-backed securities	$ 536,100	Custodial Credit Risk, Credit Risk, Interest Rate Risk, Concentration of Credit Risk
Corporate Bonds and Notes	927,254	Custodial Credit Risk, Credit Risk, Interest Rate Risk, Concentration of Credit Risk
Municipal Bonds and Notes	258,365	Custodial Credit Risk, Credit Risk, Interest Rate Risk, Concentration of Credit Risk
US Treasuries	1,854,462	Custodial Credit Risk, Credit Risk, Interest
Mortgage-backed securities	250,186	Custodial Credit Risk, Credit Risk, Interest Rate Risk, Concentration of Credit Risk
Investments held at Foundation	192,868	Custodial Credit Risk, Credit Risk, Interest Rate Risk, Concentration of Credit Risk
LGIP	28,112,071	Credit Risk
Total Investments	$ 32,131,306	

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities.

Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.

Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's' own assumptions about the assumptions market participants and would use in pricing the asset.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Investments (Continued)

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

- Quoted market prices
- Matrix modeled pricing

Investments classified within Level 3 of the fair value hierarchy consist of interests held in a fund at the St. Croix Valley Community Foundation (Foundation). The fair value of these investments is not based on observable market data and is therefore categorized as Level 3.

The City estimates the fair value of these investments using information provided by the Foundation, which is based primarily on the fair value of the underlying portfolio investments held within the fund. Because the underlying investments are not publicly traded and observable inputs are not readily available, the valuation incorporates significant unobservable inputs, including assumptions about the underlying asset values and investment performance.

The City did not make any contributions or withdrawals from this fund in the period ended December 31, 2025.

	December 31, 2025			
Investment Type	Level 1	Level 2	Level 3	Total
Asset-backed securities	$ -	$ 536,100	$ -	$ 536,100
Corporate Bonds and Notes	-	927,254	-	927,254
Municipal Bonds and Notes	-	258,365	-	258,365
US Treasuries	-	1,854,462	-	1,854,462
Mortgage-backed securities	-	250,186	-	250,186
Investments held by Foundation	-	-	192,868	192,868
Totals	$ -	$ 3,826,367	$ 192,868	4,019,235
Investments at Amortized Cost:				
Local Government Investment Pool				28,112,071
Total				$ 32,131,306

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Custodial Credit Risk

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. 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 deposits or investments exposed to custodial credit risk.

Credit Risk

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

The state of Wisconsin offers a Local Government Investment Pool (LGIP) to local government units to enable them to voluntarily invest idle funds in State Investment Fund. Local funds are pooled with state funds and invested by the State Investment Board. There is no minimum or maximum amount that can be invested by a local governmental unit. Interest is earned on a daily basis and withdrawals are generally available on day of request. Deposits in the LGIP are not covered by federal depository insurance but are subject to coverage under the State Guarantee Fund. Also, the state of Wisconsin Investment Board has obtained a surety bond to protect deposits in the LGIP against defaults in principal payments on the LGIP's investments (subject to certain limitations). The average monthly weighted average maturity of the State Investment Fund's investments for 2025 was 9 days.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Interest Rate Risk

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

As of December 31, 2025, the City's investments were as follows:

Investment	Maturity Date	Fair Value	Moody's Investor Service
United States Treasury	01/31/2028	$ 71,047	AA+
United States Treasury	02/29/2028	40,966	AA+
United States Treasury	02/29/2028	81,931	AA+
United States Treasury	05/15/2028	39,588	AA+
United States Treasury	05/15/2028	64,331	AA+
United States Treasury	06/30/2028	35,415	AA+
United States Treasury	06/30/2028	55,653	AA+
United States Treasury	08/31/2028	36,265	AA+
United States Treasury	09/30/2028	31,206	AA+
United States Treasury	09/30/2028	52,011	AA+
United States Treasury	11/30/2028	41,065	AA+
United States Treasury	11/30/2028	87,263	AA+
United States Treasury	12/31/2028	65,500	AA+
United States Treasury	02/28/2029	36,222	AA+
United States Treasury	02/28/2029	77,618	AA+
United States Treasury	04/30/2029	78,037	AA+
United States Treasury	04/30/2029	182,087	AA+
United States Treasury	06/30/2029	24,723	AA+
United States Treasury	07/31/2029	51,493	AA+
United States Treasury	07/31/2029	102,986	AA+
United States Treasury	08/31/2029	35,434	AA+
United States Treasury	08/31/2029	101,240	AA+
United States Treasury	10/15/2029	26,223	AA+
United States Treasury	10/15/2029	52,446	AA+
United States Treasury	03/31/2030	25,579	AA+
United States Treasury	04/15/2030	36,119	AA+
United States Treasury	04/15/2030	51,598	AA+
United States Treasury	08/31/2030	20,178	AA+
United States Treasury	08/31/2030	50,446	AA+
United States Treasury	10/31/2030	25,058	AA+
United States Treasury	10/31/2030	125,288	AA+

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Interest Rate Risk (Continued)

Investment	Maturity Date	Fair Value	Moody's Investor Service
AMXCA 2025-1 A	12/15/2027	$ 50,890	AAA
NAROT 2024-B A3	04/15/2028	15,106	AAA
HAROT 2024-4 A3	07/15/2028	25,194	AAA
JDOT 2025 A3	10/15/2028	50,455	AAA
BMWOT 2025-A A3	10/25/2028	30,329	AAA
CARMX 2025-1 A3	02/15/2029	50,829	AAA
WOART 2025-A A3	02/15/2029	30,411	AAA
AMXCA 2025-1 A	02/17/2029	25,445	AAA
NAROT 2024-B A3	03/15/2029	10,071	AAA
HAROT 2024-4 A3	05/15/2029	10,078	AAA
TAOT 2025-D A3	08/15/2029	50,148	AAA
JDOT 2025 A3	09/17/2029	25,227	AAA
BMWOT 2025-A A3	09/25/2029	20,219	AAA
CNH 2025-A A3	10/15/2029	50,634	AAA
CARMX 2025-1 A3	01/15/2030	25,414	AAA
WOART 2025-A A3	03/15/2030	20,274	AAA
TAOT 2025-D A3	06/17/2030	20,059	AAA
CNH 2025-A A3	08/15/2030	25,317	AAA
FN AN3042	10/01/2026	12,021	AA+
FN BS3508	10/01/2026	64,449	AA+
FN AN3042	10/01/2026	28,048	AA+
FHMS K-089 A2	01/15/2029	39,783	AA+
FNR 2013-60 LE	01/01/2029	399	AA+
FHMS K-089 A2	01/25/2029	24,865	AA+
FHMS K-531 A2	10/01/2029	51,296	AA+
FHMS K-531 A2	10/25/2029	25,648	AA+
FN 555880	09/01/2032	435	AA+
FN 725206	01/01/2033	331	AA+
FN 555880	11/01/2033	326	AA+
FN 889893	05/01/2034	910	AA+
FN 889893	08/01/2037	350	AA+
FNR 2013-52 MD	10/01/2040	776	AA+
FNR 2013-60 LE	05/25/2043	160	AA+
FNR 2013-52 MD	06/25/2043	388	AA+

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

Interest Rate Risk (Continued)

Investment	Maturity Date	Fair Value	Moody's Investor Service
San Diego Cnty Calif Wtr Auth Wtr Rev	05/01/2026	$ 9,921	AA
San Diego Cnty Calif WTR Auth WTR Rev	05/01/2026	14,882	AA
Oregon	08/01/2026	19,779	AA+
Oregon	08/01/2026	29,669	AA+
Oregon St Dept Transn HWY User Tax Rev	11/15/2026	9,781	AA+
Oregon St Dept Transn HWY User Tax Rev	11/15/2026	14,671	AA+
Multnomah Cnty Ore Sch Dist No 1J Portland	06/30/2027	9,660	AA
Multnomah Cnty Ore Sch Dist No 1J Portland	06/30/2027	19,319	AA
Huntington Beach Calif Un High Sch Dist	08/01/2027	19,480	AA-
Arlington Cnty Va	08/01/2027	9,672	AAA
Huntington Beach Calif Un High Sch Dist	08/01/2027	29,220	AA-
Arlington Cnty VA	08/01/2027	24,181	AAA
California St Univ Rev	11/01/2027	14,439	AA-
California St Univ Rev	11/01/2027	33,691	AA-
Visa Inc	04/15/2027	24,605	AA-
Visa inc	04/15/2027	49,211	AA-
Amazon.com Inc	06/03/2027	19,355	A+
Amazon.com Inc	06/03/2027	48,387	A+
Costco Whole-Sale Corp	06/20/2027	19,392	AA-
Costco Whole-Sale Corp	06/20/2027	53,329	AA-
Colgate-Pal-Molive Co	08/15/2027	20,061	A+
Colgate-Pal-Molive Co	08/15/2027	50,153	A+
Texas Instruments Inc	01/15/2028	36,165	A+
Procter & Gamble Co	01/26/2028	10,260	AA-
Procter & Gamble co	01/26/2028	25,650	AA-
Apple Inc	02/08/2028	9,561	AA+
Apple Inc	02/08/2028	19,122	AA+
Mastercard Inc	02/09/2028	46,720	A+
Texas Instruments Inc	02/15/2028	15,499	A+
Mastercard Inc	03/09/2028	20,765	A+
Walmart Inc	03/15/2028	50,677	AA
Apple Inc	04/10/2028	35,477	AA+
Walmart Inc	04/15/2028	25,339	AA
Apple Inc	05/10/2028	15,204	AA+
Automatice Data Processing Inc	05/15/2028	14,360	AA-
Automatic Data Processing Inc	05/15/2028	33,507	AA-
Chevron USA Inc	07/13/2028	35,839	AA-
Chevron USA Inc	08/13/2028	20,480	AA-
Meta Platforms Inc	07/15/2029	30,854	AA-
Meta Platforms Inc	08/15/2029	20,569	AA-
Eli Lilly and Co	01/12/2030	41,874	A+
Bank of New York Mellon Corp	02/11/2030	52,413	A
Eli Lilly and Co	02/12/2030	20,937	A+
Alphabet inc	04/15/2030	25,201	AA
Alphabet Inc	05/15/2030	10,080	AA
Bank of New York Mellon Corp	02/11/2031	26,207	A
CASH AND CASH EQUIVALENTS	N/A	25,526	N/A
Total		$ 3,851,893	

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

A. Deposits and Investments (Continued)

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.

At December 31, 2025, 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.

Investments listed by type and maturity, are as follows:

		Investment Maturities (in years)			
Description	Totals	<1	1 to 2	2 to 3	>3
WI LGIP	$ 28,112,071	$ 28,112,071	$ -	$ -	$ -
Foundation Investments	192,868	192,868	-	-	-
U.S. Treasuries	1,854,462	-	-	702,241	1,152,221
Asset Backed Securities	536,100	-	50,890	121,083	364,127
Mortgage Backed Securities	250,186	104,518	-	-	145,668
Municipal Bonds and Notes	258,365	98,703	159,662	-	-
Corporate Bonds and Notes	927,254	-	284,493	414,626	228,135
Total	$ 32,131,306	$ 28,508,160	$ 495,045	$ 1,237,950	$ 1,890,151

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

B. Receivables

Receivables (including due from other governments) as of year-end for the government's individual major funds and nonmajor funds, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

Governmental Activities

Fund	Gross Receivables	Allowance for Uncollectibles	Net Receivables	Amounts Not Expected to be Collected Within One Year
General	$ 176,083	$ 26,508	$ 149,575	$ 46,099
General Capital Projects	1,204,177	-	1,204,177	7,634
Nonmajor Funds	713,093	-	713,093	301,393
Internal Service Funds	25,977	-	25,977	-
Total	$ 2,119,330	$ 26,508	$ 2,092,822	$ 355,126

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (Continued)

Business-Type Activities

Fund	Gross Receivables	Allowance for Uncollectibles	Net Receivables	Amounts Not Expected to be Collected Within One Year
Water Utility	$ 1,464,565	$ -	$ 1,464,565	$ 1,129,938
Sewer Utility	386,039	-	386,039	-
Electric Utility	1,739,263	28,175	1,711,088	-
Nonmajor Funds	324,939	-	324,939	182,055
Total	$ 3,914,806	$ 28,175	$ 3,886,631	$ 1,311,993

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

	Unearned	Unavailable
Property Taxes Receivable	$ 11,139,389	$ -
Delinquent Property Taxes Receivable	-	3,043
Loan Receivable	-	301,393
Special Assessments Not Yet Due	7,634	46,099
Grants Receivable	2,250	1,270,152
Total Unearned/Unavailable Revenue for Governmental Funds	$ 11,149,273	$ 1,620,687

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

B. Receivables (Continued)

Notes Receivable

The Commercial Revolving Loan Fund has notes receivable of $41,097 at December 31, 2025. The balance includes 7 loans, which are all secured by a general business security agreement.

The Housing Reserve Fund has notes receivable of $260,295 at December 31, 2025. This balance is comprised of 2 different loans to nonprofits.

Lease Receivable

The City, acting as lessor, leases water tower space and ambulance building space at interest rates of 4.5%. The leases expire at different times and will not renew. During the year ended, December 31, 2025, the City recognized $ 122,167 and $65,438 in lease revenue and interest revenue, respectively, pursuant to the contracts.

Total future minimum lease payments to be received under the lease agreements are follows:

Years Ending December 31,	Principal	Interest	Total
2026	$ 100,012	$ 61,122	$ 161,134
2027	107,409	56,468	163,877
2028	116,068	51,452	167,520
2029	124,405	46,056	170,461
2030	133,230	40,275	173,505
2031 - 2035	412,427	131,258	543,685
2036 - 2040	323,424	60,423	383,847
2041 - 2045	95,030	2,624	97,654
Total Minimum Lease Payments	$ 1,412,005	$ 449,678	$ 1,861,683

C. Restricted Assets

The following represents the balances of the restricted assets:

Long-Term Debt Accounts

Reserve – Used to segregate resources accumulated for future debt service payments.

NOTE 3 DETAILED NOTES ON ALL FUNDS (CONTINUED)

C. Restricted Assets (Continued)

Long-Term Debt Accounts (Continued)

Construction – Used to report proceeds of bond issuances that are restricted for use in construction.

Equipment Replacement Account

The Water and Sewer Utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

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

	Governmental Activities	Business-Type Activities
Restricted Assets:		
Restricted Cash and Investments:		
Reserve Account	$ -	$ 1,256,875
Equipment Replacement Account	-	1,697,983
Restricted Contributions	793,348	-
Construction Account	611,647	1,127,555
Total Restricted Cash and Investments	1,404,995	4,082,413
Total Restricted Assets	$ 1,404,995	$ 4,082,413

NOTE 4 CAPITAL ASSETS

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 7,005,189	$ 2,813,547	$ (6,292,175)	$ 3,526,561
Land	16,033,393	-	(179,544)	15,853,849
Total Capital Assets Not Being Depreciated	23,038,582	2,813,547	(6,471,719)	19,380,410
Capital Assets Being Depreciated/Amortized:				
Land Improvements	3,108,637	-	-	3,108,637
Buildings	22,996,749	529,983	(224,743)	23,301,989
Machinery and Equipment	11,049,830	1,436,408	(245,309)	12,240,929
Intangibles	363,175	-	(1,342)	361,833
Infrastructure	41,908,772	5,996,494	-	47,905,266
Total Capital Assets Being Depreciated/Amortized	79,427,163	7,962,885	(471,394)	86,918,654
Less: Accumulated Depreciation/Amortization for:				
Land improvements	(706,260)	(86,425)	-	(792,685)
Buildings	(9,470,848)	(613,432)	10,593	(10,073,687)
Machinery and Equipment	(6,190,398)	(619,790)	151,583	(6,658,605)
Intangibles	(341,391)	(1,246)	-	(342,637)
Infrastructure	(12,556,019)	(639,385)	-	(13,195,404)
Total Accumulated Depreciation/Amortization	(29,264,916)	(1,960,278)	162,176	(31,063,018)
Total Capital Assets Being Depreciated/Amortized	50,162,247	6,002,607	(309,218)	55,855,636
Governmental Activities Capital Assets	$ 73,200,829	$ 8,816,154	$ (6,780,937)	$ 75,236,046

Depreciation/amortization expense was charged to function as follows:

Governmental Activities:	
General Government	$ 144,576
Public Safety	399,054
Public Works, Which Includes the Depreciation of Infrastructure	918,971
Culture and Recreation	497,677
Total Governmental Activities Depreciation/ Amortization Expense	$ 1,960,278

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Electric				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 1,360,175	$ 548,117	$ (1,019,770)	$ 888,522
Land and land rights	122,960	-	-	122,960
Total Capital Assets Not Being Depreciated	1,483,135	548,117	(1,019,770)	1,011,482
Capital Assets Being Depreciated:				
Hydraulic production	1,013,970	-	-	1,013,970
Other production	1,260,829	-	-	1,260,829
Transmission	2,676,475	-	-	2,676,475
Distribution	29,105,499	1,897,878	(106,803)	30,896,574
General	2,836,403	-	-	2,836,403
Total Capital Assets Being Depreciated	36,893,176	1,897,878	(106,803)	38,684,251
Less: Accumulated Depreciation for:				
Hydraulic production	(808,133)	(24,389)	-	(832,522)
Other production	(897,059)	(32,061)	-	(929,120)
Transmission	(1,313,869)	(86,122)	-	(1,399,991)
Distribution	(12,917,522)	(1,003,481)	106,803	(13,814,200)
General	(2,217,516)	(191,292)	-	(2,408,808)
Total Accumulated Depreciation	(18,154,099)	(1,337,345)	106,803	(19,384,641)
Total Capital Assets Being Depreciated	18,739,077	560,533	-	19,299,610
Electric Capital Assets	$ 20,222,212	$ 1,108,650	$ (1,019,770)	$ 20,311,092

	Beginning Balance	Increases	Decreases	Ending Balance
Water				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 4,378,698	$ 17,369	$ (4,378,698)	$ 17,369
Land and land rights	23,119	-	-	23,119
Total Capital Assets Not Being Depreciated	4,401,817	17,369	(4,378,698)	40,488
Capital Assets Being Depreciated:				
Source of Supply	881,451	-	(646,613)	234,838
Pumping	2,123,771	109,586	-	2,233,357
Water Treatment	49,671	-	-	49,671
Transmission and Distribution	25,779,644	4,628,238	(85,277)	30,322,605
General	588,387	75,000	-	663,387
Total Capital Assets Being Depreciated	29,422,924	4,812,824	(731,890)	33,503,858
Less: Accumulated Depreciation for:				
Source of Supply	(350,394)	(4,266)	213,613	(141,047)
Pumping	(1,055,478)	(74,790)	-	(1,130,268)
Water Treatment	(35,752)	(2,694)	-	(38,446)
Transmission and Distribution	(7,469,061)	(589,408)	85,277	(7,973,192)
General	(462,594)	(34,023)	-	(496,617)
Total Accumulated Depreciation	(9,373,279)	(705,181)	298,890	(9,779,570)
Total Capital Assets Being Depreciated	20,049,645	4,107,643	(433,000)	23,724,288
Water Capital Assets	$ 24,451,462	$ 4,125,012	$ (4,811,698)	$ 23,764,776

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Sewer				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 7,529,651	$ 4,141,942	$ (2,811,144)	$ 8,860,449
Land and land rights	117,622	-	-	117,622
Total Capital Assets Not Being Depreciated	7,647,273	4,141,942	(2,811,144)	8,978,071
Capital Assets Being Depreciated:				
Collection System	23,274,453	3,030,045	-	26,304,498
Collection System Pumping	989,979	-	-	989,979
Treatment and Disposal	11,451,403	50,007	-	11,501,410
General	3,358,574	184,586	(29,960)	3,513,200
Intangibles	71,661	-	(4,778)	66,883
Total Capital Assets Being Depreciated	39,146,070	3,264,638	(34,738)	42,375,970
Less: Accumulated Depreciation for:				
Collection System	(4,678,657)	(265,029)	-	(4,943,686)
Collection System Pumping	(881,777)	(33,734)	-	(915,511)
Treatment and Disposal	(5,489,855)	(388,286)	-	(5,878,141)
General	(1,857,025)	(64,184)	29,960	(1,891,249)
Total Accumulated Depreciation	(12,907,314)	(751,233)	29,960	(13,628,587)
Total Capital Assets Being Depreciated	26,238,756	2,513,405	(4,778)	28,747,383
Sewer Capital Assets	$ 33,886,029	$ 6,655,347	$ (2,815,922)	$ 37,725,454

	Beginning Balance	Increases	Decreases	Ending Balance
Stormwater				
Capital Assets Not Being Depreciated:				
Construction in Progress	$ 1,032,643	$ 60,352	$ (929,739)	$ 163,256
Total Capital Assets Not Being Depreciated	1,032,643	60,352	(929,739)	163,256
Capital Assets Being Depreciated:				
Machinery and Equipment	143,440	-	-	143,440
Collection System	9,990,591	954,448	-	10,945,039
Total Capital Assets Being Depreciated	10,134,031	954,448	-	11,088,479
Less: Accumulated Depreciation for:				
Machinery and Equipment	(143,439)	-	-	(143,439)
Collection System	(3,158,435)	(182,104)	-	(3,340,539)
Total Accumulated Depreciation	(3,301,874)	(182,104)	-	(3,483,978)
Total Capital Assets Being Depreciated	6,832,157	772,344	-	7,604,501
Stormwater Capital Assets	$ 7,864,800	$ 832,696	$ (929,739)	$ 7,767,757

NOTE 4 CAPITAL ASSETS (CONTINUED)

	Beginning Balance	Increases	Decreases	Ending Balance
Ambulance				
Capital Assets Not Being Depreciated:				
Land and land rights	$ 101,298	$ -	$ -	$ 101,298
Total Capital Assets Not Being Depreciated	101,298	-	-	101,298
Capital Assets Being Depreciated:				
Buildings	643,428	-	-	643,428
Total Capital Assets Being Depreciated	643,428	-	-	643,428
Less: Accumulated Depreciation for:				
Buildings	(551,859)	(28,842)	-	(580,701)
Total Accumulated Depreciation	(551,859)	(28,842)	-	(580,701)
Total Capital Assets Being Depreciated	91,569	(28,842)	-	62,727
Ambulance Capital Assets	$ 192,867	$ (28,842)	$ -	$ 164,025

Depreciation/amortization expense was charged to functions as follows:

Business-Type Activities:	
Water	$ 705,181
Sewer	751,233
Electric	1,337,345
Stormwater	182,104
Ambulance	28,842
Total Business-Type Activities Depreciation/ Amortization Expense	$ 3,004,705

Depreciation expense may be different from business-type activity accumulated depreciation/amortization additions because of joint metering, salvage, cost of removal, internal allocations, or costs associated with the disposal of assets.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

A. Interfund Receivables/Payables

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

Receivable Fund	Payable Fund	Amount
General Fund	City Grant	$ 78,938
General Fund	Shared Ride Taxi	190,591
General Fund	Tax Increment District #6	32,661
General Fund	Tax Increment District #12	9,432
General Fund	Tax Increment District #14	56,275
General Fund	Tax Increment District #17	342,346
General Fund	Tax Increment District #18	4,530
General Fund	Motor Pool	23,371
General Fund	Maintenance	31,532
Subtotal - Fund Financial Statements		769,676
Less: Fund Eliminations		(769,676)
Total Interfunds		-
Governmental-Wide Net Interfund Advances		(350,375)
Adjustment to Reflect Internal Service Fund Activities Related to Enterprise Funds		3,834,817
Total Internal Balances - Government-Wide Statement of Net Position		$ 3,484,442

The principal purpose of these interfunds is to cover an overdraft of pooled cash. Remaining 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. All due to/due from amounts are expected to be repaid within one year.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

B. Advances

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	Tax Increment District #6	$ 930,356	$ 930,356
General Fund	Tax Increment District #9	259,629	259,629
General Fund	Tax Increment District #10	1,980,748	1,980,748
General Fund	Tax Increment District #11	394,025	394,025
General Fund	Tax Increment District #12	469,058	469,058
General Fund	Tax Increment District #14	372,969	372,969
General Fund	Tax Increment District #15	459,000	459,000
General Fund	Tax Increment District #16	927,578	927,578
General Fund	Tax Increment District #17	55,994	55,994
General Fund	Tax Increment District #18	504,571	504,571
Environmental Fee	Tax Increment District #19	200,000	200,000
Housing Reserve	Tax Increment District #8	200,000	200,000
General Capital Projects	Tax Increment District #10	470,000	470,000
Electric Fund	Tax Increment District #19	30,000	30,000
Water Utility	Tax Increment District #19	215,375	215,375
Sewer Utility	Tax Increment District #19	105,000	105,000
Environmental Fee	Tax Increment District #10	470,000	470,000
Environmental Fee	Tourism and Economic Development	1,000,000	1,000,000
Subtotal - Fund Financial Statements		9,044,303	
Less: Fund Eliminations		(8,693,928)	
Total Net Government-Wide Advances		$ 350,375	

The principal purpose of the advances is to advance funds for capital construction projects, collateral on a letter of credit and repayment of transfers from prior years.

No repayment schedules have been established.

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

C. Interfund Transfers

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	Nonmajor Governmental Funds	$ 1,081,790	Budgeted Allocations
General	Electric Utility	543,819	Property Tax Equivalent & Budgeted Allocations
General	Water Utility	468,969	Property Tax Equivalent & Budgeted Allocations
General	Sewer Utility	80,000	Budgeted Allocations
General	Nonmajor Enterprise Funds	25,838	Budgeted Allocations
General	Internal Service Funds	27,760	Budgeted Allocations
General Capital Projects	General	641,400	Capital Asset Purchases
General Capital Projects	Nonmajor Governmental Funds	5,000	Budgeted Allocations
General Capital Projects	Internal Service Funds	103,253	Budgeted Allocations
General Capital Projects	Electric Utility	5,500	Budgeted Allocations
General Capital Projects	Water Utility	33,074	Budgeted Allocations
General Capital Projects	Sewer Utility	18,300	Budgeted Allocations
General Capital Projects	Nonmajor Enterprise Funds	10,100	Budgeted Allocations
Nonmajor Governmental Funds	General	737,160	Budgeted Allocations
Nonmajor Governmental Funds	Nonmajor Governmental Funds	22,000	Budgeted Allocations
Nonmajor Governmental Funds	Internal Service Funds	149,902	Budgeted Allocations
Nonmajor Governmental Funds	Electric Utility	10,000	Budgeted Allocations
Nonmajor Governmental Funds	Water Utility	10,000	Budgeted Allocations
Nonmajor Governmental Funds	Sewer Utility	10,000	Budgeted Allocations
Nonmajor Governmental Funds	Nonmajor Enterprise Funds	299,215	Budgeted Allocations
Internal Service Funds	Nonmajor Governmental Funds	109,243	Budgeted Allocations
Internal Service Funds	General	690,678	Budgeted Allocations
Internal Service Funds	Nonmajor Enterprise Funds	29,679	Budgeted Allocations
Internal Service Funds	Internal Service Funds	142,425	Budgeted Allocations
Internal Service Funds	Electric Utility	351,718	Budgeted Allocations
Internal Service Funds	Water Utility	178,904	Budgeted Allocations
Internal Service Funds	Sewer Utility	155,398	Budgeted Allocations
		5,941,125	
Less: Fund Eliminations		(3,710,611)	
Total - Government-Wide Statement of Activities		$ 2,230,514	

NOTE 5 INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (CONTINUED)

C. Interfund Transfers (Continued)

The City has numerous interfund transactions during the course of the fiscal year. These transactions are treated as follows:

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.

3. Use unrestricted revenues collected in the General Fund to finance various programs accounted for in the other funds in accordance with budgetary authorizations.

NOTE 6 LONG-TERM OBLIGATIONS

Long–term debt activity for the year ended December 31, 2025, was as follows:

	Outstanding December 31, 2024	Additions	Reductions	Outstanding December 31, 2025	Due Within One Year
Governmental Activities:					
Bonds and Notes Payable:					
General Obligation Debt	$ 22,655,000	$ -	$ 1,640,000	$ 21,015,000	$ 1,700,000
General Obligation Bonds or Notes From Direct Borrowings and Placements	2,746,771	-	301,589	2,445,182	215,727
Revenue Bonds Aniticipation Note From Direct Borrowings and Placements	4,933,000	-	-	4,933,000	-
Add/(Subtract):					
Premiums/(Discounts)	1,066,795	-	307,572	759,223	-
Subtotal	31,401,566	-	2,249,161	29,152,405	1,915,727
Other Liabilities:					
*Compensated Absences	443,925	97,134	-	541,059	541,059
Other postemployment benefits	724,344	165,971	-	890,315	-
Landfill postclosure care cost	71,671	1,935	17,715	55,891	-
Total Other Liabilities	1,239,940	265,040	17,715	1,487,265	541,059
Total Governmental Activities Long-Term Debt	$ 32,641,506	$ 265,040	$ 2,266,876	$ 30,639,670	$ 2,456,786

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

	Outstanding December 31, 2024	Additions	Reductions	Outstanding December 31, 2025	Due Within One Year
Business-Type Activities:					
Bonds and Notes Payable:					
General Obligation Debt	$ 12,590,000	$ -	$ 145,000	$ 12,445,000	$ 350,000
Revenue Bonds	9,710,000	-	775,000	8,935,000	800,000
Revenue Bonds - Direct Borrowings	214,544	-	214,544	-	-
Other long-term debt from direct borrowings and direct placements	283,333	-	50,000	233,333	50,000
Add/(Subtract):					
Premiums/(Discounts)	524,577	-	38,068	486,509	-
Subtotal	23,322,454	-	1,222,612	22,099,842	1,200,000
Other Liabilities:					
*Compensated Absences	194,356	15,220	-	209,576	209,576
Other Postemployment Benefits	92,781	5,660	-	98,441	-
Total Other Liabilities	287,137	20,880	-	308,017	209,576
Total Business-Type Activities Long-Term Debt	$ 23,609,591	$ 20,880	$ 1,222,612	$ 22,407,859	$ 1,409,576

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

A. Security and Default

The outstanding long-term debt obligations of the City contain the following provisions:

The City's outstanding State Trust Fund Loan from direct borrowings related to governmental activities of $887,392 contains clauses that any delinquent payments are subject to a penalty of 1% per month and shall be deducted from any state payments that are due to the City.

The City's outstanding notes from direct borrowings related to governmental activities of $248,000 and business-type activities of $233,333 contain provisions that in an event of default, outstanding amounts become immediately due and payable.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

B. General Obligation Debt

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Tax incremental bonds are paid by segregated property taxes but are ultimately backed by the full faith and credit of the City if incremental taxes are inadequate to meet payments. 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.

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2025, was $102,218,350. Total general obligation debt outstanding at year-end was $35,905,182.

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
Governmental Activities:					
Refunding Bonds	03/22/12	03/01/28	2.40%	$ 4,560,000	$ 465,000
Corporate Purpose Bonds	08/12/14	06/01/34	3.0-4.0%	5,425,000	2,535,000
State Trust Fund Loan	06/23/15	03/15/34	3.75%	1,600,000	889,182
Refunding Bonds	04/13/16	03/01/29	2.0-3.0%	4,060,000	1,585,000
Park Bonds	07/02/18	04/01/33	3.0-3.2%	3,460,000	2,045,000
Promissory Note	11/13/19	11/06/29	2.54%	620,000	248,000
Corporate Purpose Bonds	06/30/20	03/01/40	2.0-4.0%	5,740,000	4,505,000
Promissory Note	10/18/22	10/01/32	4.69%	750,000	559,000
Promissory Note	10/18/22	10/01/27	4.27%	749,000	749,000
Sewer System Improvement Bonds	10/18/22	10/01/42	4.0-5.0%	905,000	775,000
Corporate Purpose Bonds	09/28/23	12/01/43	4.0-5.0%	9,750,000	9,105,000
Total - Governmental Activities, general obligation debt					23,460,182
Business-Type Activities:					
Sewer System Improvement Bonds	10/18/22	10/01/42	4.0-5.0%	4,250,000	3,780,000
Corporate Purpose Bonds	09/28/23	12/01/43	4.0-5.0%	8,665,000	8,665,000
Total - Business-Type Activities, general obligation debt					12,445,000
Total General Obligation Debt					$ 35,905,182

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

B. General Obligation Debt (Continued)

Debt service requirements to maturity are as follows:

Year Ending	Governmental Activities General Obligation Debt		Business-Type Activities General Obligation Debt	
December 31,	Principal	Interest	Principal	Interest
2026	$ 1,915,727	$ 1,075,888	$ 350,000	$ 860,344
2027	2,731,904	1,009,496	370,000	815,794
2028	2,049,127	908,152	390,000	767,834
2029	1,946,618	604,733	415,000	720,934
2030	1,536,166	547,064	440,000	676,054
2031 - 2035	6,838,850	1,894,862	2,520,000	2,748,155
2036 - 2040	4,375,000	895,925	4,520,000	1,639,916
2041 - 2043	2,066,790	174,388	3,440,000	306,744
Total	$ 23,460,182	$ 7,110,508	$ 12,445,000	$ 8,535,774

C. Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operations of the Water, Sewer, and Electric Utilities.

The Water Utility has pledged future water revenues, net specified operating expense to repay water revenue bonds issued in 2011 and 2022. The bonds are payable solely from water revenues and are payable through 2042. Annual principal and interest payments are expected to require 41.43% of Water Utility revenues. The total principal and interest remaining to be paid on the bonds are $7,041,891. Principal and interest paid for the current year and total customer net revenues were $513,611 and $759,906, respectively.

The Sewer Utility has pledged future sewer revenues, net specified operating expense to repay sewer revenue bonds issued in 2005 and 2016. The bonds are payable solely from sewer revenues and are payable through 2036. Annual principal and interest payments are expected to require 16.44% of Sewer Utility revenues. The total principal and interest remaining to be paid on the bonds are $3,375,975. Principal and interest paid for the current year and total customer net revenues were $526,940 and $1,595,100, respectively.

The Electric Utility has pledged future electric revenues, net specified operating expense to repay revenue bonds issued in 2018. The bonds are payable solely from electric revenues and are payable through 2028. Annual principal and interest payments are expected to require 11% of Electric Utility revenues. The total principal and interest remaining to be paid on the bonds are $888,700. Principal and interest paid for the current year and total customer net revenues were $294,475 and $2,879,332, respectively.

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

C. Revenue Debt (Continued)

Bond Anticipation Notes

The City's outstanding Bond Anticipation Notes are payable from revenues derived from the operation of the water utility.

Revenue debt payable at December 31, 2025, consists of the following:

Business-Type Activities Revenue Debt

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance 2025
Governmental Activities:					
Revenue Bond Anticipation Note	09/28/23	12/31/28	4.72%	$ 4,933,000	$ 4,933,000
Utility:					
Revenue Bonds - Water	07/06/11	05/01/31	2.0-4.4%	2,125,000	830,000
Revenue Bonds - Water	10/18/22	05/01/42	4.25-5.00%	4,845,000	4,375,000
Revenue Bonds - Sewer	04/13/16	12/31/36	2.0-3.0%	4,510,000	2,880,000
Revenue Bonds - Electric	07/02/18	04/01/28	3.0-4.0%	2,500,000	850,000
Total - Business-Type Activities - Revenue Debt					$ 8,935,000

Debt service requirements to maturity are as follows:

	Governmental Activities Revenue Bond Anticipation Note		Business-Type Activities Revenue Debt	
Year Ending December 31,	Principal	Interest	Principal	Interest
2026	$ -	$ 232,838	$ 800,000	$ 860,344
2027	-	232,838	830,000	815,794
2028	4,933,000	232,838	860,000	767,834
2029	-	-	590,000	720,934
2030	-	-	615,000	676,054
2031 - 2035	-	-	2,765,000	2,748,155
2036 - 2040	-	-	1,790,000	1,639,916
2041 - 2042	-	-	685,000	306,744
Total	$ 4,933,000	$ 698,514	$ 8,935,000	$ 8,535,774

NOTE 6 LONG-TERM OBLIGATIONS (CONTINUED)

D. Other Debt Information

	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2025
WPPI Loan	7/28/2020	6/28/2030	0%	$ 500,000	$ 233,333

Year Ending December 31,	Principal
2026	$ 50,000
2027	50,000
2028	50,000
2029	50,000
2030	33,333
Total	$ 233,333

E. Landfill Closure and Postclosure Care Cost

State and federal laws and regulations require that the City place a final cover on its landfill sites and to perform certain maintenance and monitoring functions at the landfill sites for 30 years after closure. In addition to operating expenses related to current activities of the landfill sites, an expense provision and related liability are being recognized based on the estimated future closure and postclosure care costs that will be incurred near or after the date the landfills no longer accept waste. The estimated liability for landfill closure and postclosure care costs is $55,891 as of December 31, 2025. Actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

NOTE 7 NET POSITION/FUND BALANCES

A. Governmental Activities

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

	2025
Net Investment in Capital Assets	
Capital Assets	$ 106,299,064
Accumulated Depreciation	(31,063,018)
Related Debt:	
Less: Long Term Debt Outstanding	(28,393,182)
Less: Unamortized Premium	(759,223)
Deferred Refunding	97,842
Noncapital Debt	5,871,077
Capital Related Accounts and Retainage Payable	(656,086)
Unspent Proceeds	611,647
Net Investment in Capital Assets	$ 52,008,121

NOTE 7 NET POSITION/FUND BALANCES (CONTINUED)

A. Governmental Activities (Continued)

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

	General Fund	General Capital Projects Fund	Nonmajor Funds	Totals
Fund Balances:				
Nonspendable:				
Long-Term Advances to Advances to other funds	$ 6,353,928	$ -	$ 1,870,000	$ 8,223,928
Prepaid Items and Inventories	17,583	-	518	18,101
Restricted for:				
Debt Service	-	-	43,123	43,123
Parking Improvements	-	-	42,694	42,694
Refuse/solid waste	-	-	134,623	134,623
Environmental fee	-	-	1,494,117	1,494,117
Future TIF expenditures	-	-	1,341,734	1,341,734
Library	-	-	499,277	499,277
Park impact fee projects	-	-	864,759	864,759
Library impact fee projects	-	-	217,887	217,887
Fire impact fee projects	-	-	48,029	48,029
Housing reserve	-	-	410,199	410,199
Library trust	-	-	975,943	975,943
Revolving loan	-	-	62,963	62,963
Streetlight	-	-	52,289	52,289
Committed for:				
Park acquisition	-	-	111,028	111,028
Equipment			272,647	272,647
Helen K. White Kinnickinnic Pathway	62,290	-	-	62,290
Tri Angles Playground	67,952	-	-	67,952
Capital Projects	-	3,457,536	-	3,457,536
Unassigned	7,818,486	-	(7,489,039)	329,447
Total Fund Balances	$ 14,320,239	$ 3,457,536	$ 952,791	$ 18,730,566

B. Business-Type Activities

	2025
Net Investment in Capital Assets	
Capital Assets	$ 136,590,581
Accumulated Depreciation	(46,857,473)
Related Debt:	
GO Notes	(12,678,333)
Mortgage Revenue Bonds	(8,935,000)
Capital Related A/P	(515,713)
Unspent Bond Proceeds	1,127,555
Net Investment in Capital Assets	$ 68,731,617

NOTE 8 COMPONENT UNIT

A. Business Improvement District

Basis of Accounting and Measurement Focus

The business improvement district prepares their financial statements in accordance with the modified accrual basis of accounting. The measurement focus of the BID is the flow of current financial resources concept. Under this concept, sources and uses of financial resources, including capital outlays, debt proceeds and debt retirements are reflected in operations. Resources not available to finance expenditures and commitments of the current period are recognized as unavailable revenue or nonspendable fund balance.

Deposits and Investments

The BID is part of the River Falls cash and investment pool. The custodial credit risk pertaining specifically to the BID's resources at these institutions cannot be determined individually for those accounts. The City's investment policy is applied to the custody of the BID's deposits.

At year-end, the deposit balances for the BIDs were as follows:

Business Improvement District	$ 80,042

NOTE 9 TAX INCREMENTAL FINANCING DISTRICTS

The City currently maintains separate special revenue funds which account for fourteen Tax Incremental Financing Districts (TIDs) created in prior years 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. These costs are recovered 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. Wisconsin statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until the termination date, whichever occurs first. The City of River Falls must absorb project costs that are not recovered from tax increment by the district's dissolution date.

NOTE 10 PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM

A. Plan Description

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

EFT issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at http://etf.wi.gov/about-etf//reports-and-studies/financial-reports-and-statements. Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

B. 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.

C. Benefits Provided

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

Final average earnings is the average of the participant's three highest annual earnings periods. 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 or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

NOTE 10 PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

D. Postretirement Adjustments

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

Year Ending December 31,	Core Fund Adjustment	Variable Fund Adjustment
2015	2.9%	2.0%
2016	0.5%	-5.0%
2017	2.0%	4.0%
2018	2.4%	17.0%
2019	0.0%	-10.0%
2020	1.7%	21.0%
2021	5.1%	13.0%
2022	7.4%	15.0%
2023	1.6%	-21.0%
2024	3.6%	15.0%

E. 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 and executives and elected officials. Starting 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 $868,528 in contributions from the City.

NOTE 10 PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

F. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

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

Employee Category	Employee	Employer
General (Including Teachers, Executives, and Elected Officials)	6.95 %	6.95 %
Protective with Social Security	6.95	15.01

At December 31, 2025, the City reported a liability of $931,457 for its proportionate share of the total net pension liability. The net pension liability was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2023, rolled forward to December 31, 2024. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2024, the City's proportion was 0.05668675%, which was an increase of 0.00053870% from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense (revenue) of $1,257,056.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Projected and Actual Experience	$ 2,892,684	$ 2,718,216
Changes in Assumptions	276,381	-
Net Differences Between Projected and Actual Earnings on Pension Plan Investments	1,415,398	-
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	29,265	29,778
Employer Contributions Subsequent to the Measurement Date	868,528	-
Total	$ 5,482,256	$ 2,747,994

NOTE 10 PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

F. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

$868,528 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, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ending December 31,	Deferred Outflows of Resources and Deferred Inflows of Resources (Net)
2026	$ 566,183
2027	1,934,306
2028	(482,312)
2029	(152,443)
2030	-
Total	$ 1,865,734

Actuarial Assumptions

The total pension liability in the December 31, 2024, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

NOTE 10 PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

F. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions (Continued)

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

Long-Term Expected Return on Plan Assets

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

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

New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.7%. Asset allocations are managed within established ranges; target percentages may differ from actual monthly allocations. The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility asses, such as fixed income securities. The results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.

NOTE 10 PENSION PLAN - EMPLOYEES' RETIREMENT SYSTEM (CONTINUED)

F. Pension Liabilities, Pension Expense (Revenue), and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Return on Plan Assets (Continued)

The investment policy for the Core Fund involved reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.

Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 3.77%. (Source: "20-Bond GO Index" is the Bond Buyer Index, general obligation, 20 years to maturity, mixed quality as of December 31, 2024. In describing this index, the Bond Buyer notes that the bonds' average quality is roughly equivalent to Moody's investors Service's Aa2 rating and Standard and Poor's Corp.'s AA.) Because of the unique structure of WRS, the 6.80% expected rate of return implies that a dividend of approximately 1.7% will always be paid after reflecting known changes in the Market Recognition Account. 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one percentage point lower (5.8%) or one percentage point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.80%)	Current Discount Rate (6.80%)	1% Increase to Discount Rate (7.80%)
City's Proportionate Share of the Net Pension Liability(Asset)	$ 8,738,284	$ 931,457	$ (4,615,069)

At December 31, 2025, the City reported a payable to the pension plan, which represents contractually required contributions outstanding as of the end of the year.

NOTE 11 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, health care of its employees. The City purchases commercial insurance to provide coverage for employee health, auto and general liability, property damage, and boiler and machinery loss.

NOTE 12 COMMITMENT AND CONTINGENCIES

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditures for claims and judgments are only reported in governmental fund types 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, management is not aware of any litigation that will have a material adverse effect on the City's financial position or results of operations.

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

The City has active construction projects as of December 31, 2025. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

NOTE 12 COMMITMENT AND CONTINGENCIES (CONTINUED)

At December 31, 2025, the City had contracts for construction projects on which work had not been completed or billed. No restrictions of net position have been made for the proprietary fund amount.

Capital Projects:	
Fire Station Remodel	$ 8,851,319
Library Remodel	1,317,880
Total Committed Construction	$ 10,169,199
Proprietary Funds:	
Sewer Utility - Biosolids	$ 629,831
Total Committed Construction and Equipment	$ 629,831

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.

NOTE 13 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

A. General Information About the Plan

Plan Description

The City's other postemployment benefit (OPEB) plan provides medical benefits for eligible retirees and their spouses through the City's health insurance plan which covers both active and retired members. The City administers its single-employer defined benefit healthcare plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

Benefit provisions are established through collective bargaining agreements or the employee handbook. 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, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	0
Total Eligible Active Plan Members	57
Total Members	57

The plan is closed to new entrants from most employee groups, with the exception of firefighters, transit, patrol, and library.

Total OPEB Liability

The City's total OPEB liability of $988,756 was measured as of December 31, 2025 and was determined by an actuarial valuation as of December 31, 2024.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the December 31, 2025 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%, Average, Including Inflation
Health Care Trends	8.50% initially for pre-65 members and then decreasing to an ultimate rate of 4.50% in 2041 and later years
Retirees' Share of Benefit Related Costs	Varies

NOTE 13 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. General Information About the Plan (Continued)

Actuarial Assumptions and Other Inputs (Continued)

The discount rate was based on a yield for 20-year Bond Buyer GO Index.

Mortality rates were based on the Wisconsin 2020 Mortality table (with adjustments) as the base table and project future improvements with 2020 generational improvement scale (with adjustments), as adopted by the board in connection with the 2018-2020 Experience Study performed by the actuary for the Wisconsin Retirement System.

The actuarial assumptions used in the December 31, 2024 valuation were based on the results of the Wisconsin Retirement System actuarial valuation as of December 31, 2024.

Changes in the Total OPEB Liability

Balance at December 31, 2024	$	817,125
Changes for the Year:		
Service Cost		30,293
Interest		36,269
Changes in Assumptions or Other Inputs		327,750
Benefit Payments		(222,681)
Net Changes		171,631
Balance at December 31, 2025	$	988,756

Changes of assumptions or other inputs reflect an update of demographic assumptions based upon the most recent WRS experience study, a change in the annual claim costs to reflect current medical provisions and premiums, and an update to the medical trend rates to be consistent with the most recent Getzen model application.

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 or 1-percentage-point higher than the current discount rate:

	1% Decrease (2.26%)	Discount Rate (3.26%)	1% Increase (4.26%)
Total OPEB Liability	$ 1,070,648	$ 988,756	$ 912,061

NOTE 13 POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (CONTINUED)

A. General Information About the Plan (Continued)

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 or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Current Trend Rate	1% Increase
Total OPEB Liability	$ 885,847	$ 988,756	$ 1,105,865

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

For the year ended December 31, 2025, the City recognized OPEB expense of $118,724. At December 31, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 81,316	$ 213,919
Changes of Assumptions or Other Input	298,303	54,471
Total	$ 379,619	$ 268,390

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

Year Ending December 31,	OPEB Expense Amount
2026	$ 37,320
2027	22,867
2028	30,029
2029	21,013
Total	$ 111,229

NOTE 14 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.

NOTE 15 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, 2025 is limited to a maximum of $70,127 in principal plus interest.

NOTE 16 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). 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 paid $640,090 to the facility during 2025. As of January 1, 2026, the City has withdrawn from the Joint Venture.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF RIVER FALLS
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDED DECEMBER 31, 2025

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes	$ 6,088,706	$ 6,088,706	$ 6,072,221	$ (16,485)
Special assessments	-	-	27	27
Intergovernmental	3,991,523	3,991,523	4,150,827	159,304
Licenses and permits	241,200	241,200	407,061	165,861
Fines, forfeitures, and penalties	145,000	145,000	144,622	(378)
Charges for services - public	395,065	395,065	505,364	110,299
Charges for services - intergovernmental	16,100	16,100	-	(16,100)
Investment income	170,000	170,000	471,311	301,311
Miscellaneous	79,735	79,735	272,308	192,573
Total Revenues	11,127,329	11,127,329	12,023,741	896,412
EXPENDITURES				
Current:				
General government	2,146,775	2,146,775	2,025,813	120,962
Public safety	5,186,483	5,186,483	4,967,811	218,672
Public works	2,747,738	2,747,738	2,663,949	83,789
Health services	1,700	1,700	2,370	(670)
Leisure activities	1,045,756	1,045,756	985,323	60,433
Conservation and development	1,362,426	1,362,426	1,131,500	230,926
Debt Service:	-			
Principal payments	97,500	97,500	97,500	-
Interest and fiscal charges	14,910	14,910	14,928	(18)
Total Expenditures	12,603,288	12,603,288	11,889,194	714,094
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,475,959)	(1,475,959)	134,547	1,610,506
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	2,219,637	2,219,637	2,228,176	8,539
Transfers to Other Funds	(758,678)	(758,678)	(2,069,238)	(1,310,560)
Proceeds from Sale of Capital Assets	15,000	15,000	19,093	4,093
Total Other Financing Sources (Uses)	1,475,959	1,475,959	178,031	(1,297,928)
NET CHANGE IN FUND BALANCE	-	-	312,578	312,578
Fund Balances - Beginning of Year	14,007,661	14,007,661	14,007,661	-
FUND BALANCES - END OF YEAR	$ 14,007,661	$ 14,007,661	$ 14,320,239	$ 312,578

See accompanying Notes to Required Supplementary Information.

CITY OF RIVER FALLS
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) AND SCHEDULE OF EMPLOYER CONTRIBUTIONS – WISCONSIN RETIREMENT SYSTEM (WRS)
YEAR ENDED DECEMBER 31, 2025

WRS Fiscal Year-End Date (Measurement Date)	City's Proportion of the Net Pension (Asset) Liability	City's Proportion Share of the Net Pension (Asset) Liability	City's Covered Payroll	City's Proportionate Share of the Net Pension (Asset) Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/24	0.05668675 %	$ 931,457	$ 9,174,390	10.15 %	98.79 %
12/31/23	0.05614805	834,812	9,035,404	9.24	98.85
12/31/22	0.05688908	3,013,814	8,645,173	34.86	95.72
12/31/21	0.05742495	(4,628,556)	7,701,519	60.10	106.02
12/31/20	0.05984370	(3,736,125)	8,662,506	43.13	105.26
12/31/19	0.05923217	(1,909,915)	8,452,293	22.60	102.96
12/31/18	0.05700718	2,028,136	8,119,664	24.98	96.45
12/31/17	0.05357074	(1,590,578)	7,708,241	25.97	102.93
12/31/16	0.05015113	413,365	6,946,650	7.25	99.12
12/31/15	0.04847920	787,778	6,407,948	14.17	98.20

City Year-End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/25	$ 868,528	$ 868,528	$ -	$ 9,793,311	8.87 %
12/31/24	804,450	804,450	-	9,174,390	8.77
12/31/23	762,127	762,127	-	8,614,221	8.85
12/31/22	679,562	679,562	-	8,469,735	8.02
12/31/21	614,669	614,669	-	7,031,631	8.74
12/31/20	680,059	680,059	-	7,921,103	8.59
12/31/19	630,482	630,482	-	8,119,377	7.77
12/31/18	614,274	614,274	-	8,119,664	7.57
12/31/17	595,057	595,057	-	7,708,241	7.72
12/31/16	515,383	515,383	-	6,946,950	7.42

* These schedules are presented to illustrate the requirements to show information for 10 years. There are no assets accumulated in a trust.

See accompanying Notes to Required Supplementary Information.

CITY OF RIVER FALLS
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
YEAR ENDED DECEMBER 31, 2025

Measurement Date	2025	2024	2023	2022	2021	2020	2019	2018	2017
Total OPEB Liability:									
Service Cost	$ 30,293	$ 30,110	$ 31,873	$ 45,096	$ 48,680	$ 37,288	$ 36,854	$ 39,517	$ 34,576
Interest	36,269	31,929	32,453	19,813	19,416	26,116	28,328	25,542	21,789
Changes of Benefit Terms	-	-	(111,672)	-	-	-	-	-	-
Difference Between Expected and Actual Experience	(222,681)	30,600	115,326	(26,661)	(85,224)	37,051	58,906	(17,294)	27,203
Changes of Assumptions	327,750	(14,958)	33,843	(106,157)	35,071	64,152	44,979	(24,500)	65,960
Benefit Payments	-	(56,762)	(52,855)	(40,405)	(58,832)	(63,446)	(51,861)	(45,877)	(41,071)
Net Change in Total OPEB Liability	171,631	20,919	48,968	(108,314)	(40,889)	101,161	117,206	(22,612)	108,457
Total OPEB Liability - Beginning	817,125	796,206	747,238	855,552	896,441	795,280	678,074	700,686	592,229
Total OPEB Liability - Ending	$ 988,756	$ 817,125	$ 796,206	$ 747,238	$ 855,552	$ 896,441	$ 795,280	$ 678,074	$ 700,686
Covered-Employee Payroll	$ 3,017,428	$ 3,180,867	$ 3,253,328	$ 3,472,009	$ 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	32.77 %	25.69 %	24.47 %	21.52 %	26.05 %	23.67 %	20.03 %	14.00 %	14.93 %

* This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the City will continue to present information for the years the information is available.

There are no assets accumulated in a trust.

See accompanying Notes to Required Supplementary Information.

NOTE 1 BUDGETARY INFORMATION

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

The budgeted amounts presented are as presented in the original budget and no amendments were adopted during the year. The City 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.

NOTE 2 EXCESS OF EXPENDITURES OVER BUDGET

Comparisons of actual revenues and expenditures to budgeted amounts for the City's general fund are presented as required supplementary information following the notes to the basic financial statements. Expenditures in excess of budgeted amounts at the legally adopted levels for each of these functions are shown in the schedule.

NOTE 2 WISCONSIN RETIREMENT SYSTEM

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

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 fiscal years are presented.

Changes of Benefit Terms

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

Changes of Assumptions

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.91% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

NOTE 3 OTHER POSTEMPLOYMENT BENEFIT PLAN – SINGLE-EMPLOYER PLAN

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

The City is required to present the last 10 fiscal years of data; however, accounting standards allow the presentation of as many years as are available until 10 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 4.28% in 2024 to 4.83% in 2025.

SUPPLEMENTARY INFORMATION

CITY OF RIVER FALLS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
YEAR ENDEDDECEMBER 31, 2025

	2025			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES				
Taxes:				
General property taxes	$ 6,068,106	$ 6,068,106	$ 6,035,455	$ (32,651)
Mobile home taxes	20,000	20,000	25,327	5,327
Payment in lieu of taxes, other	100	100	133	33
Payment in lieu of taxes, housing authority	-	-	8,200	8,200
Interest and penalties on taxes	500	500	3,106	2,606
Total Taxes	6,088,706	6,088,706	6,072,221	(16,485)
Special Assessments:				
Special assessments	-	-	27	27
Intergovernmental:				
State shared revenues	2,595,000	2,595,000	2,746,025	151,025
Fire Insurance from state	50,000	50,000	80,806	30,806
State aid, computers	10,000	10,000	10,754	754
State aid, police training	-	-	13,582	13,582
State aid, other public safety	-	-	2,497	2,497
State aid, streets	650,000	650,000	633,981	(16,019)
State aid, municipal services	215,000	215,000	180,422	(34,578)
Municipal grants	300,000	300,000	332,037	32,037
School district grant	149,000	149,000	150,244	1,244
Federal grants	22,523	22,523	-	(22,523)
Local Grants	-	-	479	479
Total Intergovernmental	3,991,523	3,991,523	4,150,827	159,304
Licenses and Permits:				
Liquor and malt beverage licenses	18,000	18,000	19,103	1,103
Operator's license	5,000	5,000	5,269	269
Cigarette licenses	1,700	1,700	2,000	300
Business and occupational licenses	1,500	1,500	2,019	519
Dog licenses	4,000	4,000	2,226	(1,774)
Housing inspection licenses	500	500	670	170
Plumbing permits	2,500	2,500	6,550	4,050
Building permits	200,000	200,000	361,231	161,231
Sign permits	2,500	2,500	1,003	(1,497)
Zoning permits	3,500	3,500	4,680	1,180
Inspectors red seal	2,000	2,000	2,310	310
Total Licenses and Permits	241,200	241,200	407,061	165,861
Fines, Forfeitures, and Permits:				
Court penalties and costs	50,000	50,000	46,157	(3,843)
Parking violations	65,000	65,000	75,828	10,828
Court costs	30,000	30,000	22,637	(7,363)
Total Fines, Forfeitures, and Penalties	145,000	145,000	144,622	(378)

CITY OF RIVER FALLS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
DECEMBER 31, 2025

	2025			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
REVENUES (CONTINUED)				
Charges for Services - Public:				
Clerk's fees	$ 6,000	$ 6,000	$ 5,001	$ (999)
Zoning administration fees	25,000	25,000	21,215	(3,785)
Publication fees	1,200	1,200	930	(270)
Plat review fees	20,000	20,000	25,083	5,083
Vehicle registration fees	87,000	87,000	113,613	26,613
Police department fees	10,000	10,000	8,021	(1,979)
Police towing	8,000	8,000	8,920	920
Fire department fees	15,150	15,150	15,556	406
Fire inspection fees	1,515	1,515	-	(1,515)
Highway maintenance and construction	30,000	30,000	34,535	4,535
Weights and measures charges	4,500	4,500	8,275	3,775
Swimming pool	25,000	25,000	38,936	13,936
Parks	85,100	85,100	114,946	29,846
Recreation programs	75,000	75,000	101,704	26,704
Other public charges for services	1,600	1,600	8,629	7,029
Total Charges for Services - Public	395,065	395,065	505,364	110,299
Charges for Services - Intergovernmental:				
Interdepartmental Sales	16,100	16,100	-	(16,100)
Total Charges for Services - Intergovernmental	16,100	16,100	-	(16,100)
Investment Income:				
Interest, interfund advances	-	-	67,915	67,915
Interest on temporary investments	170,000	170,000	341,966	171,966
Gains/losses on investments	-	-	61,430	61,430
Total Investment Income	170,000	170,000	471,311	301,311
Miscellaneous:				
Rent of municipal buildings	2,200	2,200	1,500	(700)
Donations	4,910	4,910	59,022	54,112
Miscellaneous	72,625	72,625	211,786	139,161
Total Miscellaneous	79,735	79,735	272,308	192,573
Total Revenues	11,127,329	11,127,329	12,023,741	896,412

CITY OF RIVER FALLS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
DECEMBER 31, 2025

	2025			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXPENDITURES				
General Government:				
Council	$ 243,048	$ 243,048	$ 196,723	$ 46,325
Municipal court	163,462	163,462	162,353	1,109
City administrator	603,968	603,968	545,903	58,065
Personnel	345,491	345,491	377,342	(31,851)
Clerk	361,361	361,361	279,017	82,344
Finance	354,445	354,445	364,450	(10,005)
Legal counseling	75,000	75,000	100,025	(25,025)
Total General Government	2,146,775	2,146,775	2,025,813	120,962
Public Safety:				
Police	4,394,226	4,394,226	4,163,500	230,726
Fire department	792,257	792,257	804,311	(12,054)
Total Public Safety	5,186,483	5,186,483	4,967,811	218,672
Public Works:				
Garage	416,410	416,410	432,415	(16,005)
Street Maintenance	2,029,869	2,029,869	1,948,859	81,010
Engineering	301,459	301,459	282,675	18,784
Total Public Works	2,747,738	2,747,738	2,663,949	83,789
Health Services:				
Animal Control	1,700	1,700	2,370	(670)
Culture and Recreation:				
Recreation	211,307	211,307	182,616	28,691
Swimming	129,473	129,473	114,340	15,133
Parks	704,976	704,976	688,366	16,610
Total Culture and Recreation	1,045,756	1,045,756	985,323	60,433
Conservation and Development:				
Forestry	402,700	402,700	359,010	43,690
Community Development	959,726	959,726	772,490	187,236
Total Conservation and Development	1,362,426	1,362,426	1,131,500	230,926
Debt Service:				
Principal on notes payable, fire	97,500	97,500	97,500	-
Interest on notes payable, fire	14,785	14,785	14,784	1
Paying agent fees	125	125	144	(19)
Total Debt Service	112,410	112,410	112,428	(18)
Total Expenditures	12,603,288	12,603,288	11,889,194	714,094

CITY OF RIVER FALLS
DETAILED SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – BUDGET AND ACTUAL – GENERAL FUND
DECEMBER 31, 2025

	2025			
	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ (1,475,959)	$ (1,475,959)	$ 134,547	$ 1,610,506
OTHER FINANCING SOURCES AND USES				
Transfers from Other Funds	2,219,637	2,219,637	2,228,176	8,539
Proceeds from Sale of Capital Assets	15,000	15,000	19,093	4,093
Transfers to Other Funds	(758,678)	(758,678)	(2,069,238)	(1,310,560)
Total Other Financing Sources and Uses	1,475,959	1,475,959	178,031	(1,297,928)
NET CHANGE IN FUND BALANCE	-	-	312,578	312,578
Fund Balance - Beginning of Year	14,007,661	14,007,661	14,007,661	-
FUND BALANCE - END OF YEAR	$ 14,007,661	$ 14,007,661	$ 14,320,239	$ 312,578

CITY OF RIVER FALLS
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
ASSETS				
Cash and Investments	$ 6,948,151	$ 43,123	$ 272,647	$ 7,263,921
Receivables:				
Taxes	3,608,954	1,100,098	65,000	4,774,052
Accounts, Net	300,374	-	-	300,374
Loans	301,392	-	-	301,392
Due from Other Governments	111,327	-	-	111,327
Prepaid Supplies and Materials	518	-	-	518
Advances to Other Funds	1,870,000	-	-	1,870,000
Restricted Assets:				
Cash and Investments	1,404,995	-	-	1,404,995
Total Assets	$ 14,545,711	$ 1,143,221	$ 337,647	$ 16,026,579
LIABILITIES				
Accounts Payable	$ 152,432	$ -	$ -	$ 152,432
Accrued Liabilities	6,286	-	-	6,286
Deposits	4,690	-	-	4,690
Due to Other Funds	714,773	-	-	714,773
Advances from Other Funds	9,044,303	-	-	9,044,303
Unearned Revenue	2,250	-	-	2,250
Total Liabilities	9,924,734	-	-	9,924,734
DEFERRED INFLOWS OF RESOURCES				
Subsequent Years Taxes	3,608,954	1,100,098	65,000	4,774,052
Unavailable Revenues	375,002	-	-	375,002
Total Deferred Inflows of Resources	3,983,956	1,100,098	65,000	5,149,054
FUND BALANCES				
Nonspendable	1,870,518	-	-	1,870,518
Restricted	6,144,514	43,123	-	6,187,637
Committed	111,028	-	272,647	383,675
Unassigned (Deficit)	(7,489,039)	-	-	(7,489,039)
Total Fund Balances	637,021	43,123	272,647	952,791
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 14,545,711	$ 1,143,221	$ 337,647	$ 16,026,579

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Total
REVENUES				
Taxes	$ 3,571,100	$ 1,095,643	$ 55,650	$ 4,722,393
Special Assessments	2,500	-	-	2,500
Intergovernmental	1,139,820	-	49,953	1,189,773
Fees and Charges for Services - Public	1,704,565	-	-	1,704,565
Investment Income	509,533	24,422	10,471	544,426
Miscellaneous:				
Loan Repayments	159,690	-	-	159,690
Other	893,112	2,875	-	895,987
Total Revenues	7,980,320	1,122,940	116,074	9,219,334
EXPENDITURES				
Current:				
General Government	104,071	-	-	104,071
Public Works	1,450,611	-	-	1,450,611
Culture and Recreation	1,300,120	-	-	1,300,120
Development	1,906,732	-	-	1,906,732
Capital Outlay	537,792	-	1,147,889	1,685,681
Debt Service:				
Principal Retirement	858,000	951,665	-	1,809,665
Interest and Fiscal Charges	903,571	294,505	-	1,198,076
Total Expenditures	7,060,897	1,246,170	1,147,889	9,454,956
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	919,423	(123,230)	(1,031,815)	(235,622)
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	90,000	149,902	998,375	1,238,277
Transfers to Other Funds	(1,218,033)	-	-	(1,218,033)
Total Other Financing Sources (Uses)	(1,128,033)	149,902	998,375	20,244
NET CHANGE IN FUND BALANCE	(208,610)	26,672	(33,440)	(215,378)
Fund Balances - Beginning of Year, As Originally Reported	2,166,324	16,451	306,087	2,488,862
Change Within Financial Reporting Entity - Major to Nonmajor Fund	(1,320,693)	-	-	(1,320,693)
Fund Balances (Deficit) - Beginning of Year, As Adjusted	845,631	16,451	306,087	1,168,169
FUND BALANCES - END OF YEAR	$ 637,021	$ 43,123	$ 272,647	$ 952,791

CITY OF RIVER FALLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2025

	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee	Park Acquisition Fund	Tax Increment District #5	Tax Increment District #6
ASSETS							
Cash and Investments	$ 43,234	$ 18,251	$ -	$ 1,508,439	$ 111,028	$ 48,717	$ -
Receivables:							
Taxes	-	-	-	-	-	411,198	117,533
Accounts, Net	-	127,579	116,895	8,565	-	-	-
Loans	-	-	-	-	-	-	-
Due from Other Governments	-	-	37,717	-	-	-	-
Prepaid Supplies and Materials	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	1,670,000	-	-	-
Restricted Assets:							
Cash and Investments	-	-	-	-	-	-	-
Total Assets	$ 43,234	$ 145,830	$ 154,612	$ 3,187,004	$ 111,028	$ 459,915	$ 117,533
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ 540	$ 11,083	$ 55,533	$ 22,887	$ -	$ 4,140	$ -
Accrued Liabilities	-	124	-	-	-	-	-
Deposits	-	-	-	-	-	-	-
Due to Other Funds	-	-	190,591	-	-	-	32,661
Advances From Other Funds	-	-	-	-	-	-	930,356
Unearned Revenues	-	-	2,250	-	-	-	-
Total Liabilities	540	11,207	248,374	22,887	-	4,140	963,017
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	-	-	-	-	-	-	-
Subsequent Years Taxes	-	-	-	-	-	411,198	117,533
Total Deferred Inflows of Resources	-	-	-	-	-	411,198	117,533
FUND BALANCES							
Nonspendable	-	-	-	1,670,000	-	-	-
Restricted	42,694	134,623	-	1,494,117	-	44,577	-
Committed	-	-	-	-	111,028	-	-
Unassigned	-	-	(93,762)	-	-	-	(963,017)
Total Fund Balances	42,694	134,623	(93,762)	3,164,117	111,028	44,577	(963,017)
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 43,234	$ 145,830	$ 154,612	$ 3,187,004	$ 111,028	$ 459,915	$ 117,533

CITY OF RIVER FALLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
DECEMBER 31, 2025

	Tax Increment District #8	Tax Increment District #9	Tax Increment District #10	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13	Tax Increment District #14	Tax Increment District #15
ASSETS								
Cash and Investments	$ 63,826	$ 71,251	$ 327,885	$ 86,655	$ -	$ 591,188	$ -	$ 517,404
Receivables:								
Taxes	190,731	91,470	741,624	58,447	36,421	214,549	155,888	40,206
Accounts, Net	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Prepaid Supplies and Materials	-	-	-	-	-	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Restricted Assets:								
Cash and Investments	-	-	-	-	-	-	-	-
Total Assets	$ 254,557	$ 162,721	$ 1,069,509	$ 145,102	$ 36,421	$ 805,737	$ 155,888	$ 557,610
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ 558	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	-	-	-	-
Deposits	-	-	-	-	-	-	4,690	-
Due to Other Funds	-	-	-	-	9,432	-	56,275	-
Advances From Other Funds	200,000	259,629	2,920,748	394,025	469,058	-	372,969	459,000
Unearned Revenues	-	-	-	-	-	-	-	-
Total Liabilities	200,558	259,629	2,920,748	394,025	478,490	-	433,934	459,000
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues	-	-	-	-	-	-	-	-
Subsequent Years Taxes	190,731	91,470	741,624	58,447	36,421	214,549	155,888	40,206
Total Deferred Inflows of Resources	190,731	91,470	741,624	58,447	36,421	214,549	155,888	40,206
FUND BALANCES								
Nonspendable	-	-	-	-	-	-	-	-
Restricted	-	-	-	-	-	591,188	-	58,404
Committed	-	-	-	-	-	-	-	-
Unassigned	(136,732)	(188,378)	(2,592,863)	(307,370)	(478,490)	-	(433,934)	-
Total Fund Balances	(136,732)	(188,378)	(2,592,863)	(307,370)	(478,490)	591,188	(433,934)	58,404
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 254,557	$ 162,721	$ 1,069,509	$ 145,102	$ 36,421	$ 805,737	$ 155,888	$ 557,610

CITY OF RIVER FALLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18	Tax Increment District #19	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees
ASSETS								
Cash and Investments	$ 40,268	$ -	$ -	$ 611,977	$ 514,340	$ 62,963	$ 864,759	$ 217,887
Receivables:								
Taxes	200,031	189,664	208,692	-	950,000	-	-	-
Accounts, Net	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	41,097	-	-
Due from Other Governments	-	-	-	-	-	-	-	-
Prepaid Supplies and Materials	-	-	-	-	518	-	-	-
Advances to Other Funds	-	-	-	-	-	-	-	-
Restricted Assets:								
Cash and Investments	-	-	-	611,647	-	-	-	-
Total Assets	$ 240,299	$ 189,664	$ 208,692	$ 1,223,624	$ 1,464,858	$ 104,060	$ 864,759	$ 217,887
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES								
LIABILITIES								
Accounts Payable	$ -	$ -	$ -	$ 25,684	$ 8,932	$ -	$ -	$ -
Accrued Liabilities	-	-	-	-	6,131	-	-	-
Deposits	-	-	-	-	-	-	-	-
Due to Other Funds	-	342,346	4,530	-	-	-	-	-
Advances From Other Funds	927,578	55,994	504,571	550,375	-	-	-	-
Unearned Revenues	-	-	-	-	-	-	-	-
Total Liabilities	927,578	398,340	509,101	576,059	15,063	-	-	-
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenues	-	-	-	-	-	41,097	-	-
Subsequent Years Taxes	200,031	189,664	208,692	-	950,000	-	-	-
Total Deferred Inflows of Resources	200,031	189,664	208,692	-	950,000	41,097	-	-
FUND BALANCES								
Nonspendable	-	-	-	-	518	-	-	-
Restricted	-	-	-	647,565	499,277	62,963	864,759	217,887
Committed	-	-	-	-	-	-	-	-
Unassigned	(887,310)	(398,340)	(509,101)	-	-	-	-	-
Total Fund Balances	(887,310)	(398,340)	(509,101)	647,565	499,795	62,963	864,759	217,887
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 240,299	$ 189,664	$ 208,692	$ 1,223,624	$ 1,464,858	$ 104,060	$ 864,759	$ 217,887

CITY OF RIVER FALLS
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Fire Impact Fees	Housing Reserve	Library Trust Fund	Tourism and Economic Development	City Grant	Streetlight	Total Nonmajor Special Revenue Funds
ASSETS							
Cash and Investments	$ 48,029	$ 410,230	$ 182,595	$ 560,409	$ -	$ 46,816	$ 6,948,151
Receivables:							
Taxes	-	-	-	2,500	-	-	3,608,954
Accounts, Net	-	-	-	41,862	-	5,473	300,374
Loans	-	260,295	-	-	-	-	301,392
Due from Other Governments	-	-	-	-	73,610	-	111,327
Prepaid Supplies and Materials	-	-	-	-	-	-	518
Advances to Other Funds	-	200,000	-	-	-	-	1,870,000
Restricted Assets:							
Cash and Investments	-	-	793,348	-	-	-	1,404,995
Total Assets	$ 48,029	$ 870,525	$ 975,943	$ 604,771	$ 73,610	$ 52,289	$ 14,545,711
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES							
LIABILITIES							
Accounts Payable	$ -	$ -	$ -	$ -	$ 23,075	$ -	$ 152,432
Accrued Liabilities	-	31	-	-	-	-	6,286
Deposits	-	-	-	-	-	-	4,690
Due to Other Funds	-	-	-	-	78,938	-	714,773
Advances From Other Funds				1,000,000			9,044,303
Unearned Revenues	-	-	-	-	-	-	2,250
Total Liabilities	-	31	-	1,000,000	102,013	-	9,924,734
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenues	-	260,295	-	-	73,610	-	375,002
Subsequent Years Taxes	-	-	-	2,500	-	-	3,608,954
Total Deferred Inflows of Resources	-	260,295	-	2,500	73,610	-	3,983,956
FUND BALANCES							
Nonspendable	-	200,000	-	-	-	-	1,870,518
Restricted	48,029	410,199	975,943	-	-	52,289	6,144,514
Committed	-	-	-	-	-	-	111,028
Unassigned	-	-	-	(397,729)	(102,013)	-	(7,489,039)
Total Fund Balances	48,029	610,199	975,943	(397,729)	(102,013)	52,289	637,021
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 48,029	$ 870,525	$ 975,943	$ 604,771	$ 73,610	$ 52,289	$ 14,545,711

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee	Park Acquisition Fund	Tax Increment District #5	Tax Increment District #6
REVENUES							
Taxes	$ -	$ -	$ -	$ -	$ -	$ 467,945	$ 111,327
Special Assessments							
Intergovernmental	-	-	219,066	-	-	72,007	4,257
Charges for Services - Public	-	1,252,592	-	-	-	-	-
Investment Income	2,011	22	333	90,003	4,148	9,960	626
Miscellaneous:							
Loan Repayments	-	-	-	-	-	-	-
Other	-	-	-	-	42,584	8,005	43,928
Total Revenues	2,011	1,252,614	219,399	90,003	46,732	557,917	160,138
EXPENDITURES							
Current:							
General Government	-	-	-	-	-	-	-
Public Works	2,485	1,108,901	339,225	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-
Development	-	-	-	105,711	-	17,715	150
Capital Outlay	-	-	-	-	-	-	-
Debt Service:							
Principal Retirement	-	-	-	-	-	-	145,000
Interest and Fiscal Charges	-	-	-	-	-	316	18,153
Total Expenditures	2,485	1,108,901	339,225	105,711	-	18,031	163,303
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(474)	143,713	(119,826)	(15,708)	46,732	539,886	(3,165)
OTHER FINANCING SOURCES (USES)							
Transfers from Other Funds	-	-	68,000	-	-	-	-
Transfers to Other Funds	-	(19,768)	(3,000)	(237,500)	-	(492,800)	-
Total Other Financing Sources (Uses)	-	(19,768)	65,000	(237,500)	-	(492,800)	-
NET CHANGE IN FUND BALANCE	(474)	123,945	(54,826)	(253,208)	46,732	47,086	(3,165)
Fund Balances (Deficit) - Beginning of Year As Originally Reported	43,168	10,678	(38,936)	3,417,325	64,296	(2,509)	(959,852)
Change Within Financial Reporting Entity - Major to Nonmajor Fund	-	-	-	-	-	-	-
Fund Balances (Deficit) - Beginning of Year As Adjusted	43,168	10,678	(38,936)	3,417,325	64,296	(2,509)	(959,852)
FUND BALANCES (DEFICIT) - END OF YEAR	$ 42,694	$ 134,623	$ (93,762)	$ 3,164,117	$ 111,028	$ 44,577	$ (963,017)

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Tax Increment District #8	Tax Increment District #9	Tax Increment District #10	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13	Tax Increment District #14	Tax Increment District #15
REVENUES								
Taxes	$ 122,696	$ 78,709	$ 688,490	$ 53,084	$ 35,397	$ 192,520	$ 149,629	$ 35,397
Special Assessments								
Intergovernmental	283	16,033	6,398	4,523	341	12,913	5,681	10,690
Charges for Services - Public	-	-	-	-	-	-	-	-
Investment Income	4,484	5,288	35,159	4,129	1,346	31,088	310	26,943
Miscellaneous:								
Loan Repayments	-	-	-	-	-	-	-	-
Other	9,499	38,683	41,625	25,732	2,258	219	73,764	61,310
Total Revenues	136,962	138,713	771,672	87,468	39,342	236,740	229,384	134,340
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	-	-	-	-
Development	99,400	150	65,572	29,445	228	63,948	186,797	95,150
Capital Outlay	-	-	-	-	-	-	-	-
Debt Service:								
Principal Retirement	-	-	270,000	-	-	40,000	-	-
Interest and Fiscal Charges	-	7,619	122,792	-	8,669	35,038	-	11,782
Total Expenditures	99,400	7,769	458,364	29,445	8,897	138,986	186,797	106,932
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,562	130,944	313,308	58,023	30,445	97,754	42,587	27,408
OTHER FINANCING SOURCES (USES)								
Transfers from Other Funds	-	-	-	-	-	-	-	-
Transfers to Other Funds	(40,000)	(15,926)	(49,845)	(1,000)	(8,862)	(50,000)	(1,000)	(15,394)
Total Other Financing Sources (Uses)	(40,000)	(15,926)	(49,845)	(1,000)	(8,862)	(50,000)	(1,000)	(15,394)
NET CHANGE IN FUND BALANCE	(2,438)	115,018	263,463	57,023	21,583	47,754	41,587	12,014
Fund Balances (Deficit) - Beginning of Year As Originally Reported	(134,294)	(303,396)	-	(364,393)	(500,073)	543,434	(475,521)	46,390
Change Within Financial Reporting Entity - Major to Nonmajor Fund	-	-	(2,856,326)	-	-	-	-	-
Fund Balances (Deficit) - Beginning of Year As Adjusted	(134,294)	(303,396)	(2,856,326)	(364,393)	(500,073)	543,434	(475,521)	46,390
FUND BALANCES (DEFICIT) - END OF YEAR	$ (136,732)	$ (188,378)	$ (2,592,863)	$ (307,370)	$ (478,490)	$ 591,188	$ (433,934)	$ 58,404

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18	Tax Increment District #19	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees
REVENUES								
Taxes	$ 194,902	$ 98,902	$ 127,007	$ -	$ 925,000	$ -	$ -	$ -
Special Assessments								
Intergovernmental	2,890	480	-	305,954	465,660	-	-	-
Charges for Services - Public	-	-	-	-	3,095	-	96,607	61,052
Investment Income	1,273	5,556	5,235	105,852	41,234	6,154	38,715	9,709
Miscellaneous:								
Loan Repayments	-	-	-	-	-	19,142	-	-
Other	46,830	31,283	145,346	257,000	32,185	-	-	-
Total Revenues	245,895	136,221	277,588	668,806	1,467,174	25,296	135,322	70,761
EXPENDITURES								
Current:								
General Government	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-
Culture and Recreation	-	-	-	-	1,299,392	-	-	-
Development	208,598	147,291	280,950	41,994	-	-	8,695	14
Capital Outlay	-	-	-	537,792	-	-	-	-
Debt Service:								
Principal Retirement	-	66,000	-	310,000	-	-	-	-
Interest and Fiscal Charges	-	29,313	-	666,588	-	-	-	-
Total Expenditures	208,598	242,604	280,950	1,556,374	1,299,392	-	8,695	14
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	37,297	(106,383)	(3,362)	(887,568)	167,782	25,296	126,627	70,747
OTHER FINANCING SOURCES (USES)								
Transfers from Other Funds	-	-	-	-	22,000	-	-	-
Transfers to Other Funds	(18,859)	(50,000)	(5,000)	(500)	(119,479)	(100)	(5,000)	(22,000)
Total Other Financing Sources (Uses)	(18,859)	(50,000)	(5,000)	(500)	(97,479)	(100)	(5,000)	(22,000)
NET CHANGE IN FUND BALANCE	18,438	(156,383)	(8,362)	(888,068)	70,303	25,196	121,627	48,747
Fund Balances (Deficit) - Beginning of Year As Originally Reported	(905,748)	(241,957)	(500,739)	-	429,492	37,767	743,132	169,140
Change Within Financial Reporting Entity - Major to Nonmajor Fund	-	-	-	1,535,633	-	-	-	-
Fund Balances (Deficit) - Beginning of Year As Adjusted	(905,748)	(241,957)	(500,739)	1,535,633	429,492	37,767	743,132	169,140
FUND BALANCES (DEFICIT) - END OF YEAR	$ (887,310)	$ (398,340)	$ (509,101)	$ 647,565	$ 499,795	$ 62,963	$ 864,759	$ 217,887

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Fire Impact Fees	Housing Reserve	Library Trust Fund	Tourism and Economic Development	City Grant	Streetlight	Total Nonmajor Special Revenue Funds
REVENUES							
Taxes	$ -	$ 72,600	$ -	$ 217,495	$ -	$ -	$ 3,571,100
Special Assessments				2,500			2,500
Intergovernmental	-	-	-	-	12,644	-	1,139,820
Charges for Services - Public	54,183	-	-	-	-	237,036	1,704,565
Investment Income	2,423	21,356	30,927	24,171	-	1,078	509,533
Miscellaneous:							
Loan Repayments	-	140,548	-	-	-	-	159,690
Other	-	-	32,861	-	-	-	893,112
Total Revenues	56,606	234,504	63,788	244,166	12,644	238,114	7,980,320
EXPENDITURES							
Current:							
General Government	-	-	-	-	104,071	-	104,071
Public Works	-	-	-	-	-	-	1,450,611
Culture and Recreation	-	-	728	-	-	-	1,300,120
Development	3,482	240,521	-	100,877	-	210,044	1,906,732
Capital Outlay	-	-	-	-	-	-	537,792
Debt Service:							
Principal Retirement	27,000	-	-	-	-	-	858,000
Interest and Fiscal Charges	3,301	-	-	-	-	-	903,571
Total Expenditures	33,783	240,521	728	100,877	104,071	210,044	7,060,897
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	22,823	(6,017)	63,060	143,289	(91,427)	28,070	919,423
OTHER FINANCING SOURCES (USES)							
Transfers from Other Funds	-	-	-	-	-	-	90,000
Transfers to Other Funds	-	(10,000)	-	(42,000)	-	(10,000)	(1,218,033)
Total Other Financing Sources (Uses)	-	(10,000)	-	(42,000)	-	(10,000)	(1,128,033)
NET CHANGE IN FUND BALANCE	22,823	(16,017)	63,060	101,289	(91,427)	18,070	(208,610)
Fund Balances (Deficit) - Beginning of Year As Originally Reported	25,206	626,216	912,883	(499,018)	(10,586)	34,219	2,166,324
Change Within Financial Reporting Entity - Major to Nonmajor Fund	-	-	-	-	-	-	(1,320,693)
Fund Balances (Deficit) - Beginning of Year As Adjusted	25,206	626,216	912,883	(499,018)	(10,586)	34,219	845,631
FUND BALANCES (DEFICIT) - END OF YEAR	$ 48,029	$ 610,199	$ 975,943	$ (397,729)	$ (102,013)	$ 52,289	$ 637,021

CITY OF RIVER FALLS
COMBINING STATEMENT OF NET POSITION –
NONMAJOR ENTERPRISE FUNDS
DECEMBER 31, 2025

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
ASSETS			
Current Assets:			
Cash and Investments	$ 318,063	$ 262,794	$ 580,857
Leases	-	31,141	31,141
Other Accounts Receivables, Net of Allowances	58,908	-	58,908
Due from Other Governments	52,835	-	52,835
Prepaid Items	600	-	600
Total Current Assets	430,406	293,935	724,341
Noncurrent Assets:			
Lease Receivable	-	182,055	182,055
Capital Assets:			
Construction in Progress	163,256	-	163,256
Land	-	101,298	101,298
Property and Equipment	11,088,479	643,428	11,731,907
Less: Accumulated Depreciation	(3,483,978)	(580,701)	(4,064,679)
Total Capital Assets, Net Accumulated Depreciation	7,767,757	164,025	7,931,782
Total Noncurrent Assets	7,767,757	346,080	8,113,837
Total Assets	8,198,163	640,015	8,838,178
DEFERRED OUTFLOWS OF RESOURCES			
Pension Related Amounts	27,499	-	27,499
Total Deferred Outflows of Resources	27,499	-	27,499

CITY OF RIVER FALLS
COMBINING STATEMENT OF NET POSITION –
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
DECEMBER 31, 2025

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
LIABILITIES			
Current Liabilities:			
Accounts Payable	$ 73,517	$ -	$ 73,517
Accrued Liabilities	1,208	62	1,270
Accrued Compensated Absences	15,113	-	15,113
Deposits	107,200	-	107,200
Total Current Liabilities	197,038	62	197,100
Noncurrent Liabilities:			
Pension Liability	4,672	-	4,672
Total Noncurrent Liabilities	4,672	-	4,672
Total Liabilities	201,710	62	201,772
DEFERRED INFLOWS OF RESOURCES			
Leases	-	187,575	187,575
Pension Related Amounts	13,784	-	13,784
Total Deferred Inflows of Resources	13,784	187,575	201,359
NET POSITION			
Net Investment in Capital Assets	7,726,923	164,025	7,890,948
Unrestricted (Deficit)	283,245	288,353	571,598
Total Net Position	$ 8,010,168	$ 452,378	$ 8,462,546

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION – NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
OPERATING REVENUES			
Charges for Services	$ 623,753	$ 368,257	$ 992,010
Total Operating Revenues	623,753	368,257	992,010
OPERATING EXPENSES			
Operations and Maintenance	667,473	310,970	978,443
Depreciation Expense	182,104	28,842	210,946
Total Operating Expenses	849,577	339,812	1,189,389
OPERATING LOSS	(225,824)	28,445	(197,379)
NONOPERATING REVENUES (EXPENSES)			
Intergovernmental Grants	122,601	-	122,601
Investment Income	27,019	14,303	41,322
Miscellaneous	11,364	-	11,364
Total Nonoperating Revenues (Expenses)	160,984	14,303	175,287
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	(64,840)	42,748	(22,092)
TRANSFERS			
Transfers to Other Funds	(343,120)	(21,712)	(364,832)
CHANGE IN NET POSITION	(407,960)	21,036	(386,924)
Net Position - Beginning of Year	8,418,128	431,342	8,849,470
NET POSITION - END OF YEAR	$ 8,010,168	$ 452,378	$ 8,462,546

CITY OF RIVER FALLS
COMBINING STATEMENT OF CASH FLOWS –
NONMAJOR ENTERPRISE FUNDS
YEAR ENDED DECEMBER 31, 2025

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers	$ 622,455	$ 372,489	$ 994,944
Cash Payments to Suppliers for Goods and Services	(276,774)	(306,023)	(582,797)
Cash Payments to Employees for Services	(315,705)	(4,980)	(320,685)
Net Cash Provided (Used) by Operating Activities	29,976	61,486	91,462
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating Grants Received	133,965	-	133,965
Transfers Out to Other Funds	(365,280)	(21,712)	(386,992)
Net Cash Provided by Noncapital Financing Activities	(231,315)	(21,712)	(253,027)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(85,061)	-	(85,061)
Net Cash Provided (Used) by Capital and Related Financing Activities	(85,061)	-	(85,061)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and Dividends on Investments	27,019	14,303	41,322
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(259,381)	54,077	(205,304)
Cash, Investments, and Cash Equivalents - Beginning of Year	577,444	208,717	786,161
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR	$ 318,063	$ 262,794	$ 580,857
RECONCILIATION OF CASH AND CASH EQUIVALENTS			
Cash and Cash Equivalents per Statement of Net Position	$ 318,063	$ 262,794	$ 580,857
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	$ 318,063	$ 262,794	$ 580,857

CITY OF RIVER FALLS
COMBINING STATEMENT OF CASH FLOWS –
NONMAJOR ENTERPRISE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating Loss	$ (225,824)	$ 28,445	$ (197,379)
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Noncash Items Included in Income:			
Depreciation	182,104	28,842	210,946
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:			
Accounts Receivable	(1,298)	29,853	28,555
Prepaid Items	(600)	-	(600)
Lease Receivable	-	16,596	16,596
Accounts Payable	7,701	(95)	7,606
Other Liabilities	3,317	62	3,379
Deferred Inflow - Lease	-	(42,217)	(42,217)
Other Postemployment Benefit Related Deferrals and Liability	(76,803)	-	(76,803)
Pension Related Deferrals and Asset/Liability	136,379	-	136,379
Deposits	5,000	-	5,000
Total Adjustments	255,800	33,041	288,841
Net Cash Provided (Used) by Operating Activities	$ 29,976	$ 61,486	$ 91,462

CITY OF RIVER FALLS
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS
DECEMBER 31, 2025

	City Hall	Motor Pool	Technology	Maintenance	Totals
ASSETS					
Current Assets:					
Cash and Investments	$ 411,095	$ -	$ 497,460	$ -	$ 908,555
Other Accounts Receivables, Net of Allowances	3,813	-	22,164	-	25,977
Prepaid items	-	-	77,185	-	77,185
Total Current Assets	414,908	-	596,809	-	1,011,717
Noncurrent Assets:					
Capital Assets:					
Property and Equipment	-	18,075	749,209	-	767,284
Less: Accumulated Depreciation	-	(18,075)	(568,615)	-	(586,690)
Total Capital Assets, Net Accumulated Depreciation	-	-	180,594	-	180,594
Total Assets	$ 414,908	$ -	$ 777,403	$ -	$ 1,192,311
DEFERRED OUTFLOWS OF RESOURCES					
Pension Related Amounts	-	-	143,053	68,469	211,522

CITY OF RIVER FALLS
COMBINING STATEMENT OF NET POSITION – INTERNAL SERVICE FUNDS (CONTINUED)
DECEMBER 31, 2025

	City Hall	Motor Pool	Technology	Maintenance	Totals
LIABILITIES					
Current Liabilities:					
Accounts Payable	$ 6,820	$ 78	$ 9,709	$ 2,498	$ 19,105
Accrued Payroll and Payroll Taxes	101	-	4,661	976	5,738
Accrued Compensated Absences	-	-	15,769	10,998	26,767
Due to other funds	-	23,371	-	31,532	54,903
Total Current Liabilities	6,921	23,449	30,139	46,004	106,513
Noncurrent Liabilities:					
Pension	-	-	24,305	11,633	35,938
Total Liabilities	6,921	23,449	54,444	57,637	142,451
DEFERRED INFLOWS OF RESOURCES					
Pension Related Amounts	-	-	71,706	34,320	106,026
NET POSITION					
Unrestricted	407,987	(23,449)	794,306	(23,488)	1,155,356
Total Net Position	$ 407,987	$ (23,449)	$ 794,306	$ (23,488)	$ 1,155,356

CITY OF RIVER FALLS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION – INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2025

	City Hall	Motor Pool	Technology	Maintenance	Totals
OPERATING REVENUES					
Charges for Services	$ 307,389	$ -	$ 42,300	$ -	$ 349,689
Total Operating Revenues	307,389	-	42,300	-	349,689
OPERATING EXPENSES					
Operation and Maintenance	146,562	7,582	1,011,042	529,395	1,694,581
Depreciation Expense	-	-	23,352	-	23,352
Total Operating Expenses	146,562	7,582	1,034,394	529,395	1,717,933
OPERATING INCOME (LOSS)	160,827	(7,582)	(992,094)	(529,395)	(1,368,244)
NONOPERATING REVENUES (EXPENSES)					
Investment Income	19,596	332	23,779	437	44,144
Miscellaneous	284	-	94,472	58	94,814
Total Nonoperating Revenues (Expenses)	19,880	332	118,251	495	138,958
INCOME (LOSS) BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS	180,707	(7,250)	(873,843)	(528,900)	(1,229,286)
TRANSFERS					
Transfers from Other Funds	164,863	37,500	891,494	564,188	1,658,045
Transfers to Other Funds	(310,709)	(1,000)	(12,705)	(98,926)	(423,340)
Total Transfers	(145,846)	36,500	878,789	465,262	1,234,705
CHANGE IN NET POSITION	34,861	29,250	4,946	(63,638)	5,419
Net Position (Deficit) - Beginning of Year	373,126	(52,699)	789,360	40,150	1,149,937
NET POSITION (DEFICIT)- END OF YEAR	$ 407,987	$ (23,449)	$ 794,306	$ (23,488)	$ 1,155,356

CITY OF RIVER FALLS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2025

	City Hall	Motor Pool	Technology	Maintenance	Totals
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash Received from Customers	$ 303,576	$ -	$ 20,309	$ -	$ 323,885
Cash Payments to Suppliers for Goods and Services	(130,842)	(7,644)	(597,154)	(121,452)	(857,092)
Cash Payments to Employees for Services	(14,582)	-	(414,655)	(380,235)	(809,472)
Net Cash Provided (Used) by Operating Activities	158,152	(7,644)	(991,500)	(501,687)	(1,342,679)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers In from Other Funds	164,863	8,312	891,494	31,532	1,096,201
Transfers Out to Other Funds	(310,709)	(1,000)	(12,705)	(98,926)	(423,340)
Net Cash Provided (Used) by Noncapital Financing Activities	(145,846)	7,312	878,789	(67,394)	672,861
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital Related Transfers from Other Funds	-	-	-	564,188	564,188
Acquisition and Construction of Capital Assets	-	-	(11,526)	-	(11,526)
Net Cash Used by Capital Financing Activities	-	-	(11,526)	564,188	552,662
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and Dividends on Investments	19,880	332	118,251	495	138,958
Net Cash Provided by Investing Activities	19,880	332	118,251	495	138,958
NET CHANGE IN CASH AND CASH EQUIVALENTS	32,186	-	(5,986)	(4,398)	21,802
Cash, Investments, and Cash Equivalents - Beginning of Year	378,909	-	503,446	4,398	886,753
CASH, INVESTMENTS, AND CASH EQUIVALENTS - END OF YEAR	$ 411,095	$ -	$ 497,460	$ -	$ 908,555
RECONCILIATION OF CASH AND CASH EQUIVALENTS					
Cash and Cash Equivalents per Statement of Net Position	$ 411,095	$ -	$ 497,460	$ -	$ 908,555
CASH AND CASH EQUIVALENTS PER STATEMENT OF CASH FLOWS	$ 411,095	$ -	$ 497,460	$ -	$ 908,555

CITY OF RIVER FALLS
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2025

	City Hall	Motor Pool	Technology	Maintenance	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating Income (Loss)	$ 160,827	$ (7,582)	$ (992,094)	$ (529,395)	$ (1,368,244)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:					
Noncash Items Included in Income:					
Difference Between Deferred Outflows Related to Depreciation	-	-	23,352	-	23,352
Changes in Assets, Deferred Outflows, Liabilities, and Deferred Inflows:					
Accounts Receivable	(3,813)	-	(21,991)	-	(25,804)
Prepaid Items	-	-	(4,653)	2,928	(1,725)
Accounts Payable	1,037	(62)	8,819	1,156	10,950
Other Liabilities	101	-	(7,293)	(691)	(7,883)
Other Postemployment Benefit Related Deferrals and Liability	-	-	-	(51,951)	(51,951)
Pension Related Deferrals and Asset/Liability	-	-	2,360	76,266	78,626
Total Adjustments	(2,675)	(62)	594	27,708	25,565
Net Cash Provided (Used) by Operating Activities	$ 158,152	$ (7,644)	$ (991,500)	$ (501,687)	$ (1,342,679)

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APPENDIX B

FORM OF LEGAL OPINION

(See following pages)

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

October 13, 2026

Re: City of River Falls, Wisconsin ("Issuer")
$6,435,000 General Obligation Promissory Notes, Series 2026A,
dated October 13, 2026 ("Notes")

We have acted as bond counsel to the Issuer in connection with the issuance of the Notes. 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 Notes are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on October 1 of each year, in the years and principal amounts as follows:

Year	Principal Amount	Interest Rate
2027	$230,000	___%
2028	230,000	___
2029	240,000	___
2030	245,000	___
2031	255,000	___
2032	265,000	___
2033	270,000	___
2034	280,000	___
2035	295,000	___
2036	305,000	___
2037	315,000	___
2038	330,000	___
2039	340,000	___
2040	355,000	___
2041	370,000	___
2042	385,000	___
2043	405,000	___
2044	420,000	___
2045	440,000	___
2046	460,000	___

Interest is payable semi-annually on April 1 and October 1 of each year commencing on October 1, 2027.

The Notes maturing on October 1, 2035 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on October 1, 2034 or on any date thereafter. Said Notes 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 Notes maturing in the years _____ are subject to mandatory redemption by lot as provided in the Notes, 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 Notes 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 Notes have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

2. All the taxable property in the territory of the Issuer is subject to the levy of ad valorem taxes to pay principal of, and interest on, the Notes, without limitation as to rate or amount. The Issuer is required by law to include in its annual tax levy the principal and interest coming due on the Notes except to the extent that necessary funds have been irrevocably deposited into the debt service fund account established for the payment of the principal of and interest on the Notes.

3. The interest on the Notes is excludable for federal income tax purposes from the gross income of the owners of the Notes. The interest on the Notes 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 Notes 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). The Code contains requirements that must be satisfied subsequent to the issuance of the Notes in order for interest on the Notes 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 Notes to be included in gross income retroactively to the date of issuance of the Notes. 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 Notes.

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

The rights of the owners of the Notes 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 $6,435,000 General Obligation Promissory Notes, Series 2026A, dated October 13, 2026 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 22, 2026 (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 22, 2026 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) 426-3449, 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, 2026, 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. TAX LEVIES AND COLLECTIONS - TAX LEVIES AND COLLECTIONS

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 13th day of October, 2026.

_____
Alison Page
Mayor

(SEAL)

_____
Amy White
City Clerk

APPENDIX E

NOTICE OF SALE

$6,435,000* GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2026A
CITY OF RIVER FALLS, WISCONSIN

Bids for the purchase of $6,435,000* General Obligation Promissory Notes, Series 2026A (the "Notes") of the City of River Falls, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, municipal advisors to the City, until 11:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 11:00 A.M., Central Time, on September 22, 2026, 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 6:00 P.M., Central Time, on the same date. The bid offering to purchase the Notes upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

AUTHORITY; PURPOSE; SECURITY

The Notes are being issued pursuant to Section 67.12(12), Wisconsin Statutes, by the City, for public purposes, including paying the cost of remodeling and renovating the City's fire station. The Notes are general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Notes as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Notes will be dated October 13, 2026, will be issued as fully registered Notes in the denomination of $5,000 each, or any integral multiple thereof, and will mature on October 1 as follows:

Year	Amount*	Year	Amount*	Year	Amount*
2027	$230,000	2034	$280,000	2041	$370,000
2028	230,000	2035	295,000	2042	385,000
2029	240,000	2036	305,000	2043	405,000
2030	245,000	2037	315,000	2044	420,000
2031	255,000	2038	330,000	2045	440,000
2032	265,000	2039	340,000	2046	460,000
2033	270,000	2040	355,000		

ADJUSTMENT OPTION

The City reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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 April 1 and October 1 of each year, commencing October 1, 2027, to the registered owners of the Notes 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 Notes 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 Notes 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 Notes, 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 Notes. So long as Cede & Co. is the registered owner of the Notes, 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 Notes.

PAYING AGENT

The City may select City officials or a bank or trust company to act as paying agent (the "Paying Agent"). If a bank or trust company is selected, 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 Notes maturing on or after October 1, 2035 shall be subject to optional redemption prior to maturity on October 1, 2034 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 Notes subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Notes to be redeemed shall be at the discretion of the City. If only part of the Notes 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 Note to be redeemed at the address shown on the registration books.

DELIVERY

On or about October 13, 2026, the Notes 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 Notes is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Notes 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 Notes and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Notes. The legal opinion will be issued on the basis of existing law and will state that the Notes are valid and binding general obligations of the City; provided that the rights of the owners of the Notes and the enforceability of the Notes 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 Notes. 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 the Official Statement or other offering material relating to the Notes 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 the Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Notes for any investor.

SUBMISSION OF BIDS

Bids must not be for less than $6,354,562.50 plus accrued interest on the principal sum of $6,435,000 from date of original issue of the Notes to date of delivery. **The maximum proposal allowed will be $7,014,150.00.** 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 11:00 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 IHS Markit (now part of S&P Global) at https://ihsmarkit.com/products/municipal-issuance.html or via telephone (844) 301-7334.

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 $128,700 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 Notes 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 Notes 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 Notes is adjourned, recessed, or continued to another date without award of the Notes having been made.

AWARD

The Notes 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 Notes 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 Notes 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 Notes 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 Notes are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Notes.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Notes 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 Notes shall be designated as "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 Underwriter (Syndicate Manager) 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 Notes. 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 Notes 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 Notes 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 Notes, 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 Notes 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 Notes) will apply to the initial sale of the Notes (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 Notes to the bidder who submits a firm offer to purchase the Notes 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 Notes, 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 Notes 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 Notes. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the first price at which 10% of a maturity of the Notes (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 Notes (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 Notes 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 Notes, that the underwriters will neither offer nor sell unsold Notes 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 (5^{th}) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Notes 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 (5^{th}) business day after the sale whether it has sold 10% of that maturity of the Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(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 Notes have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Notes, 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes 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 Notes that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Notes 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 Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes 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 Notes 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 Notes 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 Notes to the public),

(iii) a purchaser of any of the Notes 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 Notes 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 Notes prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Underwriter (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 3001 Broadway Street, Suite 320, Minneapolis, Minnesota 55413, Telephone (651) 697-8500.

By Order of the Common Council

Amy White, City Clerk
City of River Falls, Wisconsin

BID FORM

The Common Council **September 22, 2026**
City of River Falls, Wisconsin (the "City")

RE: $6,435,000* General Obligation Promissory Notes, Series 2026A (the "Notes")
DATED: October 13, 2026

For all or none of the above Notes, 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 $6,354,562.50 ***and not more than $7,014,150.00***) plus accrued interest to date of delivery for fully registered Notes bearing interest rates and maturing in the stated years as follows:

_____	% due	2027	_____	% due	2034	_____	% due	2041
_____	% due	2028	_____	% due	2035	_____	% due	2042
_____	% due	2029	_____	% due	2036	_____	% due	2043
_____	% due	2030	_____	% due	2037	_____	% due	2044
_____	% due	2031	_____	% due	2038	_____	% due	2045
_____	% due	2032	_____	% due	2039	_____	% due	2046
_____	% due	2033	_____	% due	2040			

The City reserves the right to increase or decrease the principal amount of the Notes 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 Notes 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 $128,700 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 Notes 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 Notes 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 Notes 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 13, 2026.

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 Notes.

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 Underwriter (Syndicate Manager), we agree to provide the City with the reoffering price of the Notes within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Notes 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 Notes.

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 13, 2026 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 22, 2026.

By: _____ By: _____

Title: _____ Title: _____