



**COMMON COUNCIL AGENDA
Tuesday, September 27, 2022**

The public may view/listen to the meeting by:

- Calling Toll Free 1-844-992-4726, access code: 2633 770 0112
- Visiting the web link: <https://tinyurl.com/RFCC92722>
- Viewing the City's YouTube Channel: <https://www.youtube.com/user/cityofriverfalls>

Call Meeting to Order – 6:30 p.m.

Pledge of Allegiance

Roll Call

Approval of Minutes – September 13, 2022, Minutes

Approval of Bills

***** NOTE: OFFICIAL ACTION MAY BE TAKEN ON ANY AGENDA ITEM *****

PUBLIC COMMENT, PETITIONS, REQUESTS AND COMMUNICATIONS:

1. Public Comment

If you are unable to attend the meeting in person but would like to submit a public comment, please e-mail to the City Clerk's office (awhite@rfcity.org).

2. Arbor Place Presentation

3. Kinni Corridor Update

PUBLIC HEARING:

6:31 p.m.

4. Request for a Combination "Class B" Liquor and Class "B" Beer License – Kinnikinnick Hospitality LLC dba Junior's Restaurant & Tap House, 414 S. Main Street

CONSENT AGENDA:

5. Acknowledgement of the following minutes:

- a. Police and Fire Commission – 9/1/22; 6/27/22
- b. Historic Preservation Commission – 8/24/22
- c. River Falls Housing Authority – 8/11/22
- d. Library Board – 8/1/22; 6/6/22
- e. Park and Recreation Advisory Board – 8/17/22
- f. Plan Commission – 8/2/22
- g. BID Board – 8/9/22
- h. Utility Advisory Board – 8/15/22
- i. West Central Biosolids – 8/18/22

6. Resolution Awarding Bid for North Loop Extension Construction

7. Resolution Approving the General Development Plan for a Multi-family Building on Paulson Road (PID 276-1093-60-100)

8. Preliminary Resolution Declaring Intent to Exercise Special Assessment Police Powers Under Section 66.0703 Wisconsin Statutes for the Benefit of the River Falls Business Improvement District



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ORDINANCES AND RESOLUTIONS:

9. Resolution Awarding the Sale of \$5,155,000 General Obligation Sewerage Bonds, Series 2022C
10. Resolution Authorizing the Issuance and Sale of \$5,995,000 Water System Revenue Bonds, Series 2022D of the City of River Falls, Pierce and St. Croix Counties, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds
11. Resolution Regarding \$750,000 Taxable General Obligation Promissory Notes for Tattersall Development Incentive
12. Resolution Regarding \$749,000 Taxable General Obligation Promissory Notes for Mann Valley Land Acquisition

REPORTS:

13. Comptroller's Report

ANNOUNCEMENTS:

14. Mayor's Appointment

ADJOURNMENT

NOTE: Any person who has a qualifying disability as defined by the Americans with Disabilities Act that requires the meeting or materials to be in an accessible location or format, may contact City Clerk Amy White at (715) 426-3408 or in person at 222 Lewis Street, for accommodations. Requests for accommodations should be made at least three (3) business days in advance of the meeting. Every effort will be made to arrange accommodations.

Posted at City Hall 9/14/22; Publish: The Pierce County Journal: 9/21/22



***CITY OF RIVER FALLS, WISCONSIN
COMMON COUNCIL PROCEEDINGS***

September 13, 2022

Mayor Dan Toland called the meeting to order at 6:30 p.m.

City Council Members Present: Jeff Bjork, Nick Carow, Sean Downing, Scott Morrisette, Alyssa Mueller, Diane Odeen

Members Absent: Todd Bjerstedt

Others Present: Dana Linscott, Patrick Bilbrey, Mary Johnson, Kristie Smith, Taylor Stevens, Rise Matz, Tovah Flygare

Staff Present: City Administrator Scot Simpson; City Attorney Chris Gierhart; IT Specialist Jonathan Thoen; City Planner Emily Shively; Sergeant Kevin Moore; Community Development Director Amy Peterson; Utility Director Kevin Westhuis; Finance Director Josh Solinger; Fire Chief Steven Cash; City Engineer Todd Nickleski; Public Works Director Mike Stifter; Assistant to the City Administrator Jennifer Smith

The Pledge of Allegiance was said.

APPROVAL OF MINUTES:

Approval of Minutes – August 23, 2022, minutes

MSC Downing/Morrisette move to approve minutes. Unanimous.

APPROVAL OF BILLS:

Bills: \$3,054,004.39

MSC Morrisette/Bjork move to approve bills subject to the Comptroller. Unanimous.

PUBLIC COMMENT, PETITIONS, REQUESTS AND COMMUNICATIONS:

Dana Linscott, W11395 County Road M – came to speak about the homeless and made requests to the Council regarding homeless.

Patrick Bilbrey, 121 N. Winter Street – came to talk about the annexation near Apollo Road and the use of green space. He proposed a community garden in that location.

Mary Johnson, N8752 1020th Street – came to speak about the property being annexed off Apollo Road. She provided a history and talked the plan for the property which included development for the City.

Cheryl Ross, N8681 1020th Street – expressed concern about traffic regarding the annexation. She doesn't want traffic on 879th Avenue. She feels traffic should travel on Apollo to Maple for the safety of the residents.

Kristie Smith, Habitat for Humanity, 749 Ryan Road, Hudson – she appreciated everyone's comments. We appreciate the growth in the city. She hoped the building height restrictions will be considered in the develop plans in relation to the Eco Village. They need to be respected.

Grow to Share Presentation

Taylor Stevens, Grow to Share Program Coordinator, provided Council members a folder with information. She thanked the Council for the city support. Grow to Share was formed in 2009. She talked about all the progress that has been made in 13 years. Stevens shared the mission statement. She talked about creating more

educational partnerships, cultivating workshops, and combating hunger. To date in 2022, there was 1,258 lbs. of food donated to food pantries and 725 volunteer hours. Stevens asked Council for land security and read from their lease with the city. She would like Council to review the lease and provide them with land security. Stevens said they cannot expand with their future goals without that. She spoke further saying Grow to Share wants to be a part of the city's continued success and wellness.

Alderson Bjork talked about Grow to Share being a gathering place and expressed his appreciation for them.

Alderson Downing thanked Grow to Share saying they are bringing the community together in healthy ways. He asked if there were any other amenities or locations, they were interested in.

Stevens said they would love to stay in their current location, but they would like land security. Downing thinks it is a fantastic location.

Rise Matz, 950 S. Main, Apt. 13B – doesn't have land of her own. She talked about her son who loves going to the garden and her concern about the possibility of losing the location.

Tovah Flygard, Grow to Share – said there was an online component to the presentation and shared comments that were made for individuals that couldn't be present.

Mayor Toland said that Grow to Share does is phenomenal. He doesn't feel Grow to Share has to worry about land security but clarified that the location probably won't remain where it is now because the city hasn't stated they could be there forever. He said the city would work with them to find a location.

City Administrator Simpson noted this is not an agenda item. He doesn't think the council should be negotiating a lease. Staff have met with board members to raise awareness that the lease is not a permanent lease. It is not set up for permanency. The Hoffman Park Plan does not include the garden staying where it is as that would limit the other things planned for the park. Grow to Share was invited to the meeting to provide an update as they have done in the past. Staff hasn't said they are evicted or have been given notice. With staff working on plans, it was an opportunity to get input from Grow to Share on sites as an alternative if they needed to move. Simpson noted the 30-day notice was intentionally put in the lease because the council was hesitant to provide any idea that there would be a long-term use of the property. At the time, the founders were successful in getting a three-year lease. Simpson cautioned that this has not been listed as an agenda item or given others the opportunity to talk pros and cons. It was just an opportunity for Grow to Share to let you know what they are doing and what their wishes area.

Reuben Herfindahl, 192 N. 5th Street - said they need to be assured that there is a space. He said that is a lot of the community concern that without something in writing, they might lose space to development.

PUBLIC HEARING:

Ordinance 2022-11 – An Ordinance Annexing Certain Territory of the Town of River Falls to the City of River Falls (N8817 1010th St. and N8753 1010th St.) and Applying a Zoning Classification of R-2 Multiple Family Medium Density – Second Reading and Disposition

At 7:02 p.m., Mayor Toland moved into a public hearing and asked for public comments. As there were none, the mayor moved back into Open Session at 7:02 p.m. MS Bjork/Downing move to approve the ordinance.

Simpson clarified this is the annexation ordinance but there are several further steps. This ordinance is to bring the land into the city. It will go through a process of development review where some of the issues raised in public comment will be addressed. **With no other comments, the mayor asked for a vote. The motion passed with all voting in favor.**

Ordinance 2022-12 – An Ordinance Approving an Amendment to the Official Zoning Map and Future Land Use Map of the Comprehensive Plan of the City of River Falls to rezone the parcel at the southwest corner of S.

Wasson Lane and Cemetery Road (PID 276013020401) from R-3 Multiple Family High Density Residential to S-Z School Zone and change the Future Land Use classification from High Density Residential to Public/Institutional) – Second Reading and Disposition

At 7:03 p.m., Mayor Toland moved into a public hearing and asked for public comments. As there were no comments, the mayor moved back into Open Session at 7:04 p.m. MS Morrisette/Odeen move to approve the ordinance.

Aldersperson Downing asked Simpson to provide a brief history. Simpson talked about the current zoning (R-3 Multiple Family High Density Residential). Staff understands that the developer is developing it for the school district. Staff reviewed the zoning and felt S-Z School Zone was the appropriate classification. He also talked about the process if changes were made in the future to the property and it was no longer school use. **With no other comments, the mayor asked for a vote. The ordinance passed with all voting in favor.**

CONSENT AGENDA:

Resolution No. 6699 - Accepting Revisions to the Wisconsin DOT Functional Classification of City Roads

Resolution No. 6700 - Approving a Development Agreement with RF Ren Project, LLC

Resolution No. 6701 - Approving the Agreement with Episcopal Diocese of Eau Claire to accept the Foster Cemetery Funds

Resolution No. 6702 - Authorizing Urban Forestry Grant Application

MSC Odeen/Morrisette move to approve the Consent Agenda. Unanimous.

ORDINANCES AND RESOLUTIONS:

Resolution No. 6703 - Approving a Development Agreement with RF Holdings, LLC.

MSC Downing/Carow move to approve the resolution. Unanimous.

Resolution No. 6704 - Approving 2022 Budget Adjustment

MS Morrisette/Odeen move to approve the resolution. The mayor asked for a roll call vote. The vote to approve the resolution passed 6-0 with all voting in favor.

REPORTS:

Administrator's Report

City Administrator Simpson provided event information and updates. Simpson responded to a public comment saying the River Falls Police Department serves with compassion; their actions are lawful. They are not individuals; they work as a team. There is a command structure, supervision, and training.

Aldersperson Morrisette asked about modifying the fall compost hours. Public Works Director Mike Stifter said the hours were posted on Facebook today. He provided information about the days and hours and talked about the recent grinding.

Aldersperson Bjork talked about city wide clean up at the beginning of October, Dam Days, and congratulated Tyler Galde on being a certified drone pilot for the city.

MSC Morrisette/Downing to adjourn at 7:13 p.m. Unanimous.

Respectfully submitted,

Kristi McKahan, Deputy Clerk

MEMORANDUM

TO: Mayor Toland and City Council

FROM: Jackie Hanson, Deputy City Clerk

DATE: September 27, 2022

TITLE: **Request for a Combination “Class B” Liquor and Class “B” Beer License – Kinnikinnick Hospitality LLC dba Junior’s Restaurant & Tap House, 414 S. Main Street**

RECOMMENDED ACTION

Grant, deny, or modify by motion the request for issuance of a Combination “Class B” Liquor and Class “B” Beer License to Kinnikinnick Hospitality LLC dba Junior’s Restaurant & Tap House, 414 S. Main Street. A reason for denial must be stated in the public record.

BACKGROUND

The following definition from State Law may be helpful:

“Class B” licensees may sell intoxicating liquor to consumers by the glass for on-premises consumption. If the municipality enacts an ordinance under WI State Statute 125.51(3)(b), sales may also be made for off-premises consumption in quantities not exceeding four liters at any one time. Wine, however, may be sold for consumption off-premises in the original package or container in any quantity regardless of whether the municipality has adopted an ordinance for carryout liquor sales. Fee: \$500.00/yr

Class “B” licensees may sell beer to consumers for on-premises or off-premises consumption. Fee: \$100.00/yr

Quotas

The only class of license the city has a quota on is a “Class B” liquor license. The City’s quota for regular “Class B” liquor licenses is 19. Additionally, five Reserve “Class B” liquor licenses may be issued. This quota is based on the number of liquor licenses that were issued in the City prior to December 1, 1997. Reserve licenses require a payment of \$10,000 at first issuance, in addition to the license fee of \$600. Currently, 19 regular “Class B” licenses are issued. One Reserve “Class B” liquor licenses has been issued.

City Council has the authority, and may use broad discretion, to grant or deny all liquor licenses within the City of River Falls. Valid reasons for denial of a new retail license are based on concern for the public health, safety, and welfare of the community.

Possible reasons for denial are identified in the League of Wisconsin Municipalities Manual and listed here:

1. Adverse impact on traffic;

2. Adverse impact on the peace, quiet and cleanliness of the neighborhood where the establishment is located;
3. Insufficient parking for patrons;
4. Proximity to other licensed establishments, residential areas, schools, churches, or hospitals;
5. Ability or inability of the police to provide law enforcement services to the new establishment and the impact of the new establishment on the ability of the police to provide law enforcement services to the balance of the community at all times.

DISCUSSION

Kinnikinnick Hospitality LLC, dba Junior's Restaurant & Tap House has completed and submitted an application for a Combination "Class B" Liquor and Class "B" Beer License for the premises located at 414 S. Main Street. JRKM Management has indicated their plans to submit, in writing, their intent to surrender their license contingent upon the approval for the issuance of a license to Kinnikinnick Hospitality dba Junior's Restaurant & Tap House.

City staff consulted with City Attorney Gierhart who provided the following information:

A license holder may conditionally surrender a license. A conditional surrender involves a license holder going to the City and advising it would like to conditionally surrender the license if the license is then granted to another party, almost always the purchasers of the business or real estate agreement associated with the licensed premise. This is by far the most common mechanism to lawfully allow a license held by one party to be issued to another and remain consistent with the state statutes, contingent upon City approval.

Kinnikinnick Hospitality LLC is leasing the premise located at 414 S. Main Street from IGO Legacy Hotel Group Marshfield LLC. Kinnikinnick Hospitality, LLC is comprised of Jeffrey Wesley and Jason Heinrichs who are currently employed at Junior's Restaurant and Tap House. They intend to continue operating as is. Jeffrey Wesley is the current agent and will remain the agent going forward.

Included with this memo are a completed original application, the application supplements, the application for the appointment of an Agent, and auxiliary questionnaires. All corporations and limited liability companies applying for an alcohol beverage license must appoint an Agent. The Agent is given full authority and control over the licensed premises and over all commercial activities on the premises relating to alcohol beverages.

A license cannot be issued to a corporation or limited liability company until the Agent has been approved by the municipality. The Agent must be of legal drinking age, live continuously in the State of Wisconsin for 90 days prior to the date of the application, and must "with respect to character, record and reputation, be satisfactory to the issuing authority." WI State Statutes 125.04(6)(a)2.

Jeffrey Wesley has been named as Agent for Kinnikinnick Hospitality LLC and is a satisfactory candidate, per the Police Department.

CONCLUSION

Council has two options: 1) grant the surrender by JRKM Management and, subsequently, grant the license to Kinnikinnick Hospitality LLC; or 2) deny the conditional surrender. If Council does not grant the conditional surrender, JRKM Management retains the licensee. The city must

notify, in writing, the applicant for the new license of its decision to deny and outline the reason for the decision. Staff advises Council members who have not expressed reasons for objection during the course of discussion and then vote to deny should indicate a reason for the record regarding their denial. This is not required by law but improves clarity in the recorded record.

By motion, the Council may grant, deny, or modify the request for issuance of a Combination "Class B" Liquor and class "B" Beer License to Kinnikinnick Hospitality LLC dba Junior's Restaurant & Tap House for the Premises of 414 S. Main St.

Original Alcohol Beverage Retail License Application

(Submit to municipal clerk.)

For the license period beginning: 10/01/2022 ending: 06/30/2023
(mm dd yyyy) (mm dd yyyy)

To the Governing Body of the: ☐ Town of ☐ Village of ☒ City of } River Falls

County of Pierce Aldermanic Dist. No. _____
(if required by ordinance)

Check one: ☐ Individual ☐ Limited Liability Company
☒ Partnership ☐ Corporation/Nonprofit Organization

Applicant's Wisconsin Seller's Permit Number 456103113084102	
FEIN Number 88-2624049	
TYPE OF LICENSE REQUESTED	FEE
☐ Class A beer	\$
☒ Class B beer	\$ <u>100</u>
☐ Class C wine	\$
☐ Class A liquor	\$
☐ Class A liquor (cider only)	\$ N/A
☒ Class B liquor	\$ <u>500</u>
☐ Reserve Class B liquor	\$
☐ Class B (wine only) winery	\$
Publication fee	\$ <u>30</u>
TOTAL FEE	\$ <u>630</u>

Name (individual / partners give last name, first, middle; corporations / limited liability companies give registered name)

Kinnikinnick Hospitality LLC

An "Auxiliary Questionnaire," Form AT-103, must be completed and attached to this application by each individual applicant, by each member of a partnership, and by each officer, director and agent of a corporation or nonprofit organization, and by each member/manager and agent of a limited liability company. List the full name and place of residence of each person.

President / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
<u>Wesley</u>	<u>Jeffrey</u>	<u>M</u>	<u>1078 S. Wasson Ln. River Falls, WI 54022</u>
Vice President / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
<u>Heinrichs</u>	<u>Jason</u>	<u>G</u>	<u>814 Southfork Dr. River Falls, WI 54022</u>
Secretary / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Treasurer / Member Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Agent Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)
Directors / Managers Last Name	(First)	(Middle Name)	Home Address (Street, City or Post Office, & Zip Code)

1. Trade Name Junior's Restaurant + Tap House Business Phone Number 715-425-6630

2. Address of Premises 414 S. Main St., River Falls Post Office & Zip Code 54022

3. Premises description: Describe building or buildings where alcohol beverages are to be sold and stored. The applicant must include all rooms including living quarters, if used, for the sales, service, consumption, and/or storage of alcohol beverages and records. (Alcohol beverages may be sold and stored only on the premises described.)

Restaurant/Bar, Banquet Rooms 1 + 2, Falls Boardroom, hotel lobby conferenc
room (would be extremely rarely used), common hallways, fenced patio,
sidewalk from rear entrance of hotel (main Juniors entrance) to adjacent
patio entrance, office for storage (hotel room 240 + 242), service elevator
from restaurant to office (for transfer to storage)

4. Legal description (omit if street address is given above): _____

5. (a) Was this premises licensed for the sale of liquor or beer during the past license year? ☒ Yes ☐ No

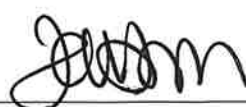
(b) If yes, under what name was license issued? JRKM Manangement (Jeffrey Wesley as Agent)

6. Is individual, partners or agent of corporation/limited liability company subject to completion of the responsible beverage server training course for this license period? **If yes, explain** ☐ Yes ☒ No
7. Is the applicant an employee or agent of, or acting on behalf of anyone except the named applicant? ☐ Yes ☒ No
If yes, explain.
8. Does any other alcohol beverage retail licensee or wholesale permittee have any interest in or control of this business? **If yes, explain** ☐ Yes ☒ No
9. (a) **Corporate/limited liability company applicants only:** Insert state Wisconsin and date 06/02/20 of registration.
- (b) Is applicant corporation/limited liability company a subsidiary of any other corporation or limited liability company? **If yes, explain** ☐ Yes ☒ No
- (c) Does the corporation, or any officer, director, stockholder or agent or limited liability company, or any member/manager or agent hold any interest in any other alcohol beverage license or permit in Wisconsin? ☒ Yes ☐ No
If yes, explain.
I, Jeff Wesley, am the current agent for the JRKM Management (Junior's) license. I would be the intended agent for the new company, Kinnikinnick Hospitality, LLC (dba Junior's)
10. Does the applicant understand they must register as a Retail Beverage Alcohol Dealer with the federal government, Alcohol and Tobacco Tax and Trade Bureau (TTB) by filing (TTB form 5630.5d) before beginning business? [phone 1-877-882-3277] ☒ Yes ☐ No
11. Does the applicant understand they must hold a Wisconsin Seller's Permit? [phone (608) 266-2776] ☒ Yes ☐ No
12. Does the applicant understand that they must purchase alcohol beverages only from Wisconsin wholesalers, breweries and brewpubs? ☒ Yes ☐ No

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the applicant states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000. Signer agrees to operate this business according to law and that the rights and responsibilities conferred by the license(s), if granted, will not be assigned to another. (Individual applicants, or one member of a partnership applicant must sign; one corporate officer, one member/manager of Limited Liability Companies must sign.) Any lack of access to any portion of a licensed premises during inspection will be deemed a refusal to permit inspection. Such refusal is a misdemeanor and grounds for revocation of this license.

Contact Person's Name (Last, First, M.I.) Wesley, Jeffrey, M	Title/Member Owner	Date 08/27/2022
Signature 	Phone Number 651-261-1970	Email Address jeff@juniorsrf.com

TO BE COMPLETED BY CLERK

Date received and filed with municipal clerk 8/29/2022	Date reported to council / board 9/27/2022	Date provisional license issued	Signature of Clerk / Deputy Clerk 
Date license granted	Date license issued	License number issued	

Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Heinrichs		Jason		G	
Home Address (street/route)	Post Office	City	State	Zip Code	
814 Southfork Dr		River Falls	WI	54022	
Home Phone Number			Place of Birth		
6519-983-4200			Tulsa, OK		

The above named individual provides the following information as a person who is (check one):

☐ Applying for an alcohol beverage license as an **individual**.

☒ A member of a **partnership** which is making application for an alcohol beverage license.

☐ Owner of Kinnikinnick Hospitality LLC

(Officer / Director / Member / Manager / Agent)

(Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

1. How long have you continuously resided in Wisconsin prior to this date? 25 years

2. Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? ☒ Yes ☐ No
If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)

Theft, 2004, Ozaukee County / OWI, 2010, Pierce County / OWI, 2012, Pierce County

3. Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? ☐ Yes ☒ No
If yes, describe status of charges pending.

4. Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? ☐ Yes ☒ No
If yes, identify.

(Name, Location and Type of License/Permit)

5. Do you hold and/or are you an officer, director, stockholder, agent or employee of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? ☐ Yes ☒ No
If yes, identify.

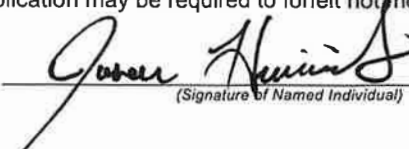
(Name of Wholesale Licensee or Permittee)

(Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
JRKM Management	414 S. Main St. River Falls	06/01/2013	10/01/2022
Employer's Name	Employer's Address	Employed From	To
Bo's n' Mine	110 S Main St River Falls	02/01/2013	06/01/2013

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


(Signature of Named Individual)

Auxiliary Questionnaire Alcohol Beverage License Application

Submit to municipal clerk.

Individual's Full Name (please print) (last name)		(first name)		(middle name)	
Wesley		Jeffrey		Michael	
Home Address (street/route)	Post Office	City	State	Zip Code	
1078 S. Wasson Ln		River Falls	WI	54022	
Home Phone Number			Place of Birth		
651-261-1970			Minnesota		

The above named individual provides the following information as a person who is (check one):

☐ Applying for an alcohol beverage license as an **individual**.

☐ A member of a **partnership** which is making application for an alcohol beverage license.

☒ Owner of **Kinnikinnick Hospitality LLC**

(Officer / Director / Member / Manager / Agent)

(Name of Corporation, Limited Liability Company or Nonprofit Organization)

which is making application for an alcohol beverage license.

The above named individual provides the following information to the licensing authority:

1. How long have you continuously resided in Wisconsin prior to this date? 13 years

2. Have you ever been convicted of any offenses (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of any other states or ordinances of any county or municipality? ☐ Yes ☒ No
If yes, give law or ordinance violated, trial court, trial date and penalty imposed, and/or date, description and status of charges pending. (If more room is needed, continue on reverse side of this form.)

3. Are charges for any offenses presently pending against you (other than traffic unrelated to alcohol beverages) for violation of any federal laws, any Wisconsin laws, any laws of other states or ordinances of any county or municipality? ☐ Yes ☒ No
If yes, describe status of charges pending.

4. Do you hold, are you making application for or are you an officer, director or agent of a corporation/nonprofit organization or member/manager/agent of a limited liability company holding or applying for any other alcohol beverage license or permit? ☐ Yes ☒ No
If yes, identify.

(Name, Location and Type of License/Permit)

5. Do you hold and/or are you an officer, director, stockholder, agent or employee of any person or corporation or member/manager/agent of a limited liability company holding or applying for a wholesale beer permit, brewery/winery permit or wholesale liquor, manufacturer or rectifier permit in the State of Wisconsin? ☐ Yes ☒ No
If yes, identify.

(Name of Wholesale Licensee or Permittee)

(Address By City and County)

6. Named individual must list in chronological order last two employers.

Employer's Name	Employer's Address	Employed From	To
JRKM Management	414 S. Main St. River Falls	12/01/2012	10/01/2022
Employer's Name	Employer's Address	Employed From	To
Big Stone LLC	100 Spring St. River Falls	05/01/2010	12/01/2012

READ CAREFULLY BEFORE SIGNING: Under penalty provided by law, the undersigned states that each of the above questions has been truthfully answered to the best of the knowledge of the signer. The signer agrees that he/she is the person named in the foregoing application; that the applicant has read and made a complete answer to each question, and that the answers in each instance are true and correct. The undersigned further understands that any license issued contrary to Chapter 125 of the Wisconsin Statutes shall be void, and under penalty of state law, the applicant may be prosecuted for submitting false statements and affidavits in connection with this application. Any person who knowingly provides materially false information on this application may be required to forfeit not more than \$1,000.


(Signature of Named Individual)

City of River Falls
Alcohol License Application Supplement
Required as Part of New Applications
Pursuant to City Ordinance 5.08.045(B)

- 1) Please state below and attach a sketch or diagram showing the approximate dimensions and physical layout, including interior and exterior, of the premises proposed to be licensed. (All premises proposed to be licensed must be located on the same legally described lot or parcel of real estate.)

Restaurant/Bar, Banquet rooms 1 + 2, Falls boardroom, hotel conference room, liquor storage room, fenced patio, sidewalk connecting patio to restaurant, office for storage (hotel room 242) and elevator to reach office, common hallways

- 2) Please identify the number of employees anticipated to be hired or retained for purposes of operating the licensed facility, including staff and security personnel.

(Circle one answer for each question)

- a. Full-time employees? None 1-5 6-10 11 or more
b. Part-time employees? None 1-5 6-10 11 or more
c. Security Personnel? None 1-5 6-10 11 or more
(Including Bouncers)

- 3) Please outline the following security information proposed for the business. (The use of surveillance systems is not required, but encouraged.) If the premises will utilize surveillance, you do not have to state here, but please notify the River Falls Police Department that you are going to utilize surveillance technology.

- a. If the licensee chooses to utilize surveillance technology, will the licensee voluntarily provide access to law enforcement for the purposes of investigation of crime or other ordinance/forfeiture related offenses.

(Circle one)

Yes No

If no, please explain: _____

- b. Please identify below, the location of entrances and exits to and from the proposed licensed premises. If they are also noted in the attached diagram or sketch required in question 1, please check the box and leave blank.

☒ Locations noted in sketch or diagram under question 1.

- c. Please acknowledge the applicant's commitment to provide initial and ongoing training to employees to include training to:

1. Alcohol consumption by on-duty employees (not recommended), will this be allowed?

(Circle one) Yes ☒ No ☒

2. Use of Force.

3. Gambling Laws

4. Dealing with Disorderly Patrons

5. Employer responsibilities and procedures relating to persons intoxicated or incapacitated by alcohol.

6. Sale of Tobacco Products

7. Procedures to be implemented to deter underage drinking of alcohol and loitering on premises.

Initial and on-going training will be provided to employees.

(Circle one) ☒ Yes ☒ No

- d. Proposed occupancy limits for the premises. (Please coordinate with the City Building Inspector to assist in determining occupancy limits.) If none, enter none.

Please enter the proposed occupancy limits: Bar & lower level = 190, Banquet rooms = 205

- e. Please acknowledge the applicant's ability and willingness to work cooperatively with the City to deal with potential community and law enforcement issues, such as neighborhood complaints, littering, disorderly conduct and other community issues related to the alcohol license requested or issued.

(Circle one)

☒ Yes, will work cooperatively

No, will not work cooperatively. Explain: _____

4. Please identify below the applicant's planned promotional events or entertainment as a means of Attracting business:

☐ If no entertainment is planned, please check this box and move on to Question #5.

☒ Music

☒ Live

☒ DJ

☐ Karaoke

☐ Other – Please Identify _____

☐ Dancing

☐ Tournaments

☐ Pool

☐ Darts

☐ Poker, other Card Events

☐ Video Gaming*

☐ Other – Please Explain: _____

* Please note the attached information regarding the legality of poker tournaments and video gaming.

☒ Other entertainment or promotional events – Please Identify.

weddings and other gathering style events

- 5.) Please identify the projected market, whether by age or other category, which the applicant is seeking to attract to the licensed establishment.
21-65

- 6.) Please identify the applicant's plan for food sales at the establishment and the anticipated ratio of gross value of sales of food versus that of sales of alcohol.

☐ If license requested is for off-sale only, please check this box and go on to Question #7.

we are a well established full service restaurant. Food sales are roughly 65% of our current revenue (current being JRKM Management / Juniors)

Does the applicant have or is applicant applying for a restaurant license?

(Circle one)

Yes

☒ No

- 7.) Please indicate if you have liability insurance with coverage to include the requested licensed premises?

(Circle one)

☒ Yes

No

- 8.) Please state below or attach any additional information you would like to provide to the City Council For consideration of the applicant's alcohol license request.

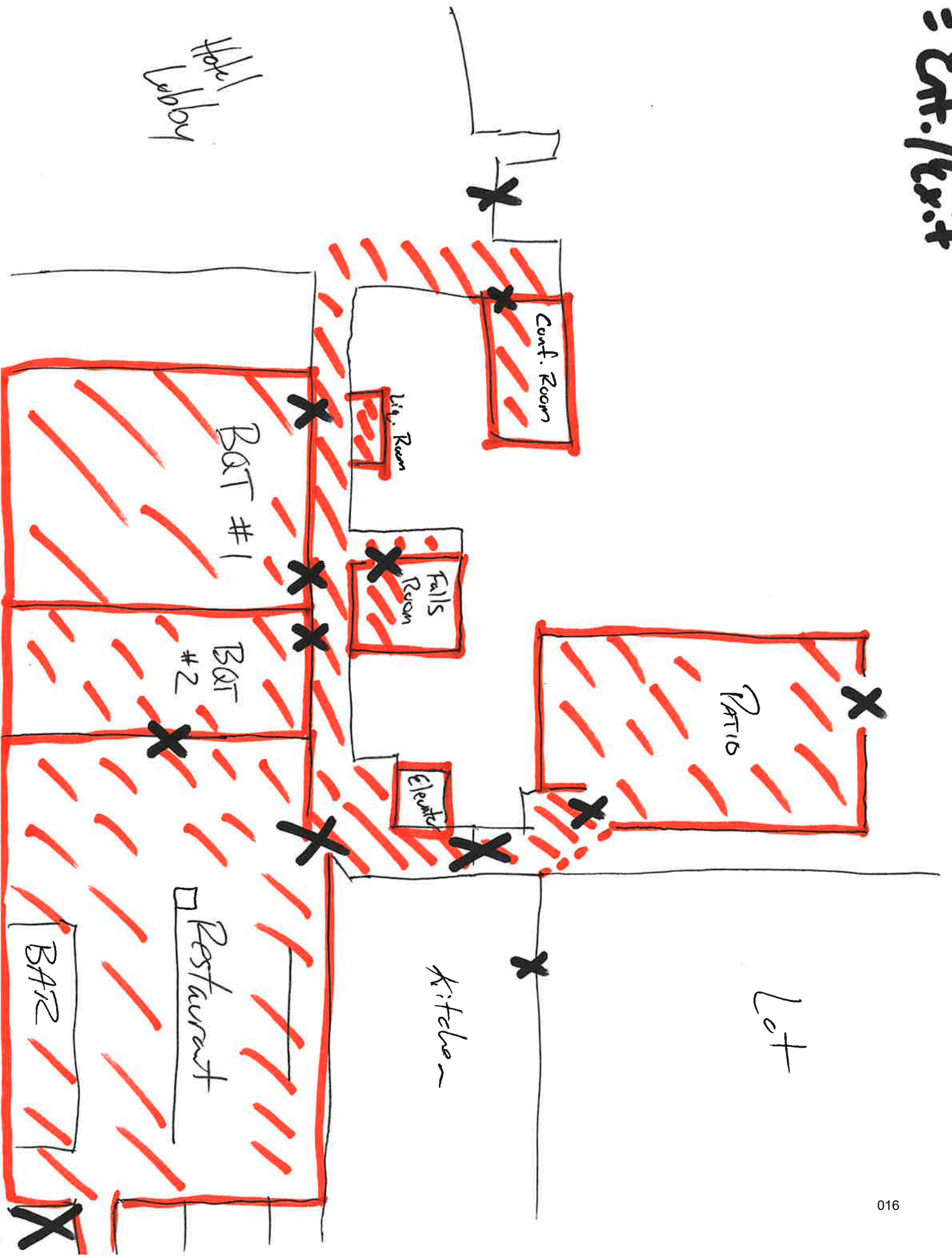
I have been the GM of the current business for 11 years, and the other owner, Jason has been head chef for 9 years.


Applicant

8/27/2022

Date

X = Exit/Exit



Addendum to Question 9 **Alcohol Beverage License Application** **Licensed Premises – Outdoor Area**

Premises Location: 414 S. Main St River Falls WI 54022

Describe in detail the outside area that you are requesting to be licensed:
Fenced patio on the EAST side of the restaurant/hotel

Is this outside area enclosed with a fence or other barrier? Yes ☒ No ☐
Describe the fence or barrier: solid wall/bench seating with 2 entrances that have steel gates which are closed when not in operation

Describe in detail how this area will be staffed or monitored:
patio is staffed when open. When not open, gates are closed and locked

Any additional information you would like the City Council to consider regarding your application:

Schedule for Appointment of Agent by Corporation / Nonprofit Organization or Limited Liability Company

Submit to municipal clerk.

All corporations/organizations or limited liability companies applying for a license to sell fermented malt beverages and/or intoxicating liquor must appoint an agent. The following questions must be answered by the agent. The appointment must be signed by an officer of the corporation/organization or one member/manager of a limited liability company and the recommendation made by the proper local official.

To the governing body of: ☐ Town ☐ Village of River Falls County of Pierce
☒ City

The undersigned duly authorized officer/member/manager of Kinnikinnick Hospitality LLC
(Registered Name of Corporation / Organization or Limited Liability Company)

a corporation/organization or limited liability company making application for an alcohol beverage license for a premises known as Junior's Restaurant + Tap House
(Trade Name)

located at 414 S. Main St. River Falls, WI 54022

appoints Jeffrey Michael Wesley
(Name of Appointed Agent)

1078 South Wasson Lane River Falls WI 54022
(Home Address of Appointed Agent)

to act for the corporation/organization/limited liability company with full authority and control of the premises and of all business relative to alcohol beverages conducted therein. Is applicant agent presently acting in that capacity or requesting approval for any corporation/organization/limited liability company having or applying for a beer and/or liquor license for any other location in Wisconsin?

☒ Yes ☐ No If so, indicate the corporate name(s)/limited liability company(ies) and municipality(ies).
Jeffrey Wesley is the current agent of JRKM Management (dba Junior's)

Is applicant agent subject to completion of the responsible beverage server training course? ☐ Yes ☒ No
How long immediately prior to making this application has the applicant agent resided continuously in Wisconsin? 13 years

Place of residence last year 1078 S. Wasson Ln River Falls WI 54022

For: Kinnikinnick Hospitality LLC
(Name of Corporation / Organization / Limited Liability Company)

By: [Signature] 8/27/22
(Signature of Officer / Member / Manager)

Any person who knowingly provides materially false information in an application for a license may be required to forfeit not more than \$1,000.

ACCEPTANCE BY AGENT

I, Jeffrey Michael Wesley, hereby accept this appointment as agent for the
(Print / Type Agent's Name)

corporation/organization/limited liability company and assume full responsibility for the conduct of all business relative to alcohol beverages conducted on the premises for the corporation/organization/limited liability company.

[Signature] 8/27/22
(Signature of Agent) (Date)

1078 S. Wasson Ln
(Home Address of Agent)

APPROVAL OF AGENT BY MUNICIPAL AUTHORITY (Clerk cannot sign on behalf of Municipal Official)

I hereby certify that I have checked municipal and state criminal records. To the best of my knowledge, with the available information, the character, record and reputation are satisfactory and I have no objection to the agent appointed.

Approved on Sep 19, 2022 by [Signature] Title Deputy Chief of Police
(Date) (Signature of Proper Local Official) (Town Chair, Village President, Police Chief)

**Supplement to
Schedule For Appointment of Agent**

1. As designated agent for the license holder, do you understand that you have full responsibility over the business and may be held civilly or criminally liable for violations of the law or City ordinances by its employees, even if you are not physically present?

Yes X No

2. Do you understand that under the laws of Wisconsin, violations of statutes regulating the sale of liquor do not require the showing of a willful or intentional act?

Yes X No

3. Do you understand that if an employee or agent of the entity on whose behalf you are agreeing to act as agent is guilty of a violation, it is no defense for you to claim that you were not present and did not know of the acts of that employee or agent and that you can be held responsible even if you expressly forbade that employee or agent from engaging in a particular act in violation of the state liquor laws?

Yes X No

4. Do you understand that with respect to employees or agents, as long as they are performing acts that fall within their scope of employment, such as serving beer or alcohol, such that for all intents and purposes he or she appears to be representing the interests of the license holder, you as its agent, can be held vicariously liable for violations of the law?

Yes X No

5. Do you realize that at all times the business is open, as its agent, you are responsible to make certain that all liquor laws and ordinances are being obeyed?

Yes X No

6. Do you understand that even if you claim that you were negligent in hiring or supervising an employee who violates the law, this is no excuse if a liquor law violation is brought against you in your representative capacity as agent?

Yes X No



Signature of Agent

8/27/2022

Date



SURRENDER OF LICENSE

This is to advise that, as licensee, Dustin Hanson hereby surrender a "Class B" Liquor and Class "B" Beer License for the following premises.

(Fill out the following if the license is surrendered contingent upon issuance to another person or entity)

The Licensee surrenders said License on the condition that it be granted to the following named Applicant (Future Licensee): Jeff Wesley ~~Jeff~~ Kinnikinnick Hospitality

Trade/business name: Junior's Restaurant & Tap House

Address: 414 S Main Street, River Falls, WI 54022

and Jeff Wesley, Applicant and Future Licensee, hereby makes and files a concurrent application for said license.

CURRENT LICENSEE: JBKM Management

Signature: [Signature] Date: 9/20/22

Please print the following information:

Trade Name: Junior's Restaurant & Tap House

Agent or Owner: Dustin Hanson

Address: 414 S Main St

City: River Falls WI Zip: 54022

Phone: 715-209-7456

(Fill out the following information if applicable)

APPLICANT-FUTURE LICENSEE

Signature: _____ Date: _____

Please print the following information:

Name:

Address:

Jeffrey Michael Wesley
1078 S Wasson Ln
River Falls, WI 54022
651-261-1970

City: _____ Zip: _____

Phone: _____


9/20/27

POLICE & FIRE COMMISSION MEETING MINUTES**September 1, 2022 @ 5:30 p.m.**

River Falls City Hall
 City Council Chambers
 222 Lewis Street
 River Falls, WI

Meeting called to order at 5:28 p.m.

Commission Members Present: Mark Sams, Gary Donath, Grant Hanson (virtual attendee)

Commission Members Absent: Dick Rinehart, Jon Longsdorf

Staff Present: Gordon Young, Sterling Hackney

Absent: Jon Longsdorf

Approval of Minutes: Regular Meeting Minutes from June 27, 2022.

MSC Donath, Hanson. Unanimous.

1) Removal from Probation for Officer Luke Axley (effective 9/5/2022)

Chief Young shared Officer Axley was selected as our Neighborhood Resource Officer and works day shift from Monday-Friday. Officer Axley is primarily in charge of special events, mental health coordinator, downtown business liaison, and our primary person responsible for posting via Facebook. He also backs up patrol during the day and serves as an animal control officer during the day. Chief Young shared several instances where positive feedback was received. Including being praised by Allina EMS staff for his quick actions in stabilizing the patient. He was thanked by a resident for finding their lost dog. He has demonstrated a high level of patience and willingness to help individuals with mental health conditions. He also assisted EMS in delivering a baby.

Chief Young asked that Officer Axley be removed from probationary status on September 5, 2022

MSC Hanson/Donath to remove Officer Luke Axley from Probation, effective September 5, 2022. Unanimous

2) Removal from Probation for Officer Matthew Miller (effective 10/3/2022)

Chief Young shared Officer Miller received a thank you over social media for his compassion during a mental health call, as well as his attention to detail. He maintains a positive attitude and completes reports in an efficient and thorough manner. He, along with a few other officers, cleaned our entire garage and washed every vehicle in the winter. He assisted other officers in taking a stabbing suspect into custody without incident. He provides a fluent and well written police report, which accurately depicts the events in detail.

Chief Young asked that Officer Miller be removed from probationary status on October 3, 2022.

MSC Hanson/Donath to remove Officer Matthew Miller from Probation, effective October 3, 2022. Unanimous

3) Removal from Probation for Officer Alexander Hoffman (effective 10/8/2022)

Chief Young shared that Officer Hoffman is proactive on patrols, proactively stopped a vehicle on Hwy 35 that may have led to a head on collision. He also recovered a stolen vehicle, apprehended the thief, and returned it to owner. He received an email thanking him for stopping emailer's daughter, praised him for being professional and nice, and making a positive impact on the daughter.

He assisted Pierce County deputies on a physical assault call at a residence. Officers were able to safely take the suspect into custody and he displayed professionalism and calmness. Chief Young provided an overview of how the mutual aid agreement between the county and our department.

He acted quickly and safely during a high stress overdose incident to help save a life. He accepts feedback well and makes changes that are necessary after receiving feedback.

Chief Young asked that Officer Hoffman be removed from probationary status on October 8, 2022

MSC Donath/Hanson to remove Officer Alexander Hoffman from Probation, effective October 8, 2022. Unanimous

4) Removal from Probation for Officer Alex Sather (effective 10/9/2022)

Chief Young shared his history, including the difficult position of coming into the agency where his father had a successful career. Chief received feedback from a resident who called to express Thanks for him checking on his wellbeing and how kind Officer Sather was to him, and he greatly appreciated his actions. He was also part of the team that helped deliver a baby. He, along with a few other officers, cleaned our entire garage and washed every vehicle in winter. He stays busy, is quick to answer the radio, and enforces traffic laws and properly completes his case reports and calls for service entries promptly. He responds very well to feedback and takes steps to improve.

Chief Young asked that Officer Sather be removed from probationary status on October 9, 2022

MSC Hanson/Donath to remove Officer Alex Sather from Probation, effective October 9, 2022. Unanimous

Adjournment: **MSC Donath/Hanson** Unanimous by roll call vote. Meeting adjourned at 5:57 p.m.

Respectfully Submitted,



Ailene Splittgerber
Recording Secretary

POLICE & FIRE COMMISSION MEETING MINUTES

June 27, 2022 @ 6:00 p.m.

River Falls City Hall
Council Chambers
222 Lewis Street
River Falls, WI

Meeting called to order at 6:02 p.m.

Commission Members Present:

**Mark Sams, Jon Longsdorf, Gary Donath,
Dick Rinehart
Grant Hanson (Virtual attendee @ 6:07 p.m.)**
Staff Present: Jason Stroud, Tom Foley, Sterling Hackney

Approval of Minutes: Regular Meeting Minutes from April 13, 2022.

MSC Donath/Rinehart. Unanimous.

1) Appointment of Fire Chief of the River Falls Police Department

Stroud read the memorandum in the packet regarding the Fire Chief Appointment. He then introduced Steven Cash, who was present at the meeting. Stroud provided an overview of Cash's 22 years in fire service, as well as being a part-time teaching assistant for the Fire/EMS program, and an advocate supporting autism programs and awareness.

Stroud requested the approval from the Commission to hire Steven Cash as Fire Chief of the River Falls Fire Department, effective August 22, 2022.

Mr. Cash told the Commission he was excited for the opportunity to be next fire chief and would serve with honor, integrity, and would serve the community to the best of his abilities.

The Commission asked for Interim Fire Chief Foley's opinion. Foley stated he completed the background for the candidate and thinks he will do well and has the right personality to bring to the department

MSC Donath/Rinehart to approve the hiring of Steven Cash as Fire Chief of the River Falls Fire Department effective August 22, 2022. Unanimous.

Adjournment: **MSC Rinehart/Longsdorf.** Meeting adjourned at 6:11 p.m.

Respectfully Submitted,



Ailene Splittgerber
Recording Secretary

Community Development Department

222 Lewis Street
River Falls, WI 54022
715.425.0900
www.rfcity.org



MINUTES HISTORIC PRESERVATION COMMISSION August 24, 2022, at 6:00 pm Glover School House

HPC Members Present: Jayne Hoffman, Jeff Bjork (Council Rep), Mark Anderson, Julie Huebel, Pam Friede

HPC Members Absent: Heidi Heinze (excused), Denton Anderson (unexcused)

Staff Present: Kendra Ellner – Planner

Others Present: Patricia LaRue

CALL TO ORDER

Meeting convened at 6:02 p.m.

HPC MEMBER VOLUNTEER HOUR REPORT

Julie Huebel – 5 hours

Jayne Hoffman – 5 hours

Heidi Heinze – 15 hours

Mark Anderson – 1 hour

APPROVAL OF MINUTES OF July 13, 2022

M/Bjork, S/Friede 5-0 motion passes.

PUBLIC COMMENTS – Non-Agenda Items

Patricia LaRue introduced herself as the Chair of the Park Board, Plan Commissioner, and steering committee member for the Outdoor Recreation Plan. She shared a picture from 1989 when the Junction dam was being rebuilt, over what she called the “Lake George dam” - a 120-year-old rock crib and timber dam. She explained that there was potential for shifting the timeline for removal of the Junction dam along with the Lake George dam and does not want it to end up in a landfill or HPC to be caught off guard when and if it happens.

She encouraged HPC to consider reassembling it for public view for preservation if it were to be taken out because it is one of the oldest dams in Wisconsin. Mark Anderson chimed in and mentioned his passion for wood working and how it would be wonderful to utilize the wood to make a model/replica. Huebel asked LaRue if she was referring to rebuilding a section of the dam. LaRue responded that she envisioned the original dam or material pieces of it included in a model, placed where Lake Louise was for the community to view as part of the implementation of the Kinni Corridor Plan. HPC and LaRue

discussed some additional ideas back and forth for preservation of the area and the dam, then concluded with appreciation to LaRue for sharing.

DISCUSSION ITEMS

1. Glover School images

Hoffman explained that she, Huebel and Heinze spent time at the Archives to uncover some relevant information or photos of Glover School. Teacher records were found and a few other class images but not related to Glover School related. One idea that Hoffman shared with the group that her and Heinze came up with is to work with the City's communications coordinator to post a notice on Facebook to find more information or images the community may have. Ellner chimed in that she could help facilitate if HPC gave her the language or photo they wanted to use. Bjork agreed there likely are images floating around in the community. He mentioned Betty Johnson, Tom Johnson's sister who went to school there, graduated in 1948, he could ask her if she has any images or information and post on a Facebook group.

Hoffman clarified the context behind the two map pictures in the packet that Heinze received. The estimate to frame them seemed expensive for not exceptionally large maps. Hoffman offered to talk to Holly Clayton that does some framing work to give HPC a quote that might be less expensive. Bjork asked what the purpose of framing the maps. Hoffman mentioned it was to put inside the schoolhouse along with additional photos to put on the walls because there is sufficient wall space to include some historical elements for public to view when they rent the space. Hoffman mentioned the final decision would need to be reviewed by the Park Board.

Bjork asked if there is a lot of demand for the space. LaRue chimed in and affirmed it's pretty popular because of the bathroom, sink and great space for family gatherings. Huebel mentioned she has it rented for a crafting day. Hoffman mentioned there has been a graduation and birthday party here.

Huebel reaffirmed that Hoffman should investigate other potential quotes. Ellner mentioned that HPC should look at the budget which was on the last page of the packet. All the highlighted items are tentative, which Heinze's quote is incorporated to account for both maps framing. While there seems to be limited amounts of funds left in the promotions category there is a possibility to shift around some money from other categories if needed.

HPC was in consensus about sharing on Facebook that HPC is inquiring about photos and information on Glover school and to search for additional quotes for framing the maps.

2. WHS Local History and Preservation Conference

Ellner explained that a few commissioners can go in-person but not everyone because of the budget limitations, especially if paying for accommodations. Bjork asked where it was this year – in Rothschild, WI. Huebel mentioned she would like to go via online but including Heinze - Hoffman, Friede and Anderson wanted to go in-person. Ellner said she will look to confirm in the budget on whether all four could go, and then they would need to send their preferred workshop sessions to Ellner.

3. Pop-up Museum

Hoffman explained that because of Heinze's absence none of the museum items were present for HPC to look at but Hoffman confirmed that Heinze is actively working away at putting it together. Ellner explained that the materials needed to be shipped will be paid for and dropped off at City Hall. Ellner passed out the posters Heinze wanted shared with the group but was not sure in what capacity she wanted to implement them. Huebel and Bjork asked if the poster could be sent digitally to the group and Ellner confirmed. Huebel recommended to have a scaled down state version since there was uncertainty about the locations and dates as Heinze mentioned that one of the locations listed have been cancelled.

4. The Glen sign

Hoffman asked Anderson if there were any updates on the sign. Anderson mentioned he wanted to have a couple of material samples but explained that the best resolution was on a sheet of vinyl or aluminum and is still waiting for a quote. However Anderson was able to confirm that Mike Stifter and the Public Works guys would be able to build the base. Bjork asked what the life expectancy of the vinyl or aluminum material is, and Anderson replied with a general estimate of 5-10 years but was uncertain. Anderson affirmed it was a short time span and discussed with Stifter that if the base were built, and the image was printed over the vinyl there could be plexiglass covering to make it last longer. Anderson will confirm material samples and pricing hopefully by the next meeting, but the sign is projected to be 27" X 72" and Stifter and crew can begin working on the base.

5. CLG letter – Notification to Property Owners

Hoffman described the purpose of the letter. Ellner explained some of the changes including the dates and the sentence about the presentation will be given by Jason Tish in the first paragraph. Ellner also wanted to confirm two property addresses because, she was unable to determine where they were. There was some discussion, and the conclusion was that they would get back to her. However HPC approved the letter.

ACTION ITEMS

Item 5# - HPC approved the CLG letter and for Ellner to mail them to the eligible property owners.
M/ Friede, S/ Bjork 5-0 motion passed.

Minutes of the Regular Meeting of the River Falls Housing Authority August 11, 2022, Chair Todd Bierstadt called the meeting to order at 6:30.

Present: Todd Bjerstedt, Matt Fitzgerald, Jacqueline Niccum,

Absent: Jacob Proue, Jason Stroud

Also Present: Peggy Chukel-Executive Director

5C

Tenant Comments: No tenants were present

ACTION ITEMS

1. Review and Approve Minutes of June Meeting (No meeting in July): M/S/C-JN/MF
2. Review and Approve Payment of July & August Bills: M/S/C-JN/MF
3. Review and Approve July & August Budget Reports: M/S/C-MF/JN
4. Review and Approve PILOT payments JN/MF

REPORTS

Vacancy & Re-Rental: PC noted that of the 9 vacancies, 6 were for 07/31/22. 5 have accepted applicants. Only one may be hard to fill as it is an ADA unit.

DISCUSSION ITEMS

TB gave an update on replacement of Windmill Place windows and noted that there may be some warranty coverage remaining. PC noted that aside from the faulty seals, many windows are very difficult/impossible to open & close. This may involve reaching out to the installer as well as the manufacturer. TB will continue to look into repair/replacement options.

MF addressed his leaving the board in October & that he has found a very suitable candidate

ADJOURN: 7:15 M/S/C-MF/JN

Respectfully submitted by P L Chukel, recording secretary

**River Falls Library Board of Trustees Minutes
Monday, August 1, 2022**

Present: Rebecca Ferguson, Tanya Misselt, Kari Heinselman, Mike Metro, Sean Dowling, Lorraine Davis, Jean Ritzinger, Wayne Roen (virtual). Guests: Kim Kiskiinin and Linda Jacobsen

1. **Call to Order:** The meeting was called to order by President Rebecca Ferguson.
2. **Quorum:** A quorum was established.
3. **Open Meeting Law:** Director Tanya Misselt confirmed the meeting was properly noticed.
4. **Approval of Agenda:** Motion to approve the agenda was made by Jean Ritzinger, seconded by Kari Heinselman. Motion carried.
5. **Approval of Minutes:** A motion was made by Mike Metro, seconded by Sean Dowling. Motion carried.
6. **New Member:** Lorraine Davis was introduced as the newest member of the board.
7. **Action Items:** A motion was made by Kari Heinselman, seconded by Mike Metro to approve the May and June 2022 Expense Report (\$21,095.58) Motion carried.
8. **Director's Report:**
 - a. Updates on Library numbers, donations pandemic recovery, and programs.
 - b. Reviewed prototype brochure for Fall and Winter programs
 - c. Explanation of funding challenges due to Hudson library funding.
9. **Presidents Report:** Ferguson reminded the board of the importance of attending the Foundation meetings and the Trustee Training Week, August 22- 26th. The board will gather at the library Thursday, August 25, to watch that session together.
10. **Closed Session:** A motion was made by Jean Ritzinger, seconded by Lorraine Davis, to recess into closed session per Wisconsin Statutes (19.85 (1) c). Vote was taken, motion carried.
It was decided to rank goals based on priority. Next strategic plan will be switched from a two-year plan to a five-year plan, with both short and long-term goals identified.

Two of the current rubrics were also modified to better identify director functions.
(Future board conversations: How to measure goals?
11. **Reconvene into Open Session:** A motion was made by Mike Metro, seconded by Kari Heinselman. A vote was taken. Motion carried.
12. **Action Items regarding Library Directors Goals and Rubric:** postponed at this time.
13. **Adjournment:** A motion to adjourn was made by Kari Heiselman, seconded by Mike Metro. Motion carried. Meeting adjourned at 7:45.

Respectfully Submitted, Jean Ritzinger (secretary)

River Falls Library Board of Trustees Minutes
Monday, June 6, 2022

Present: Rebecca Ferguson, Tanya Misselt, Kari Heinselman, Joyce Breen, Ruth Kuss, Mike Metro, Sean Dowling, Jean Ritzinger, Whitney Rudesill and Wayne Roen.

1. Call To Order: The meeting was called to order by President Rebecca Ferguson.

2. Quorum: A quorum was established.

3. Open Meeting Law: Director Tanya Misselt confirmed the meeting was properly noticed.

4. Approval of Agenda: Motion to approve the agenda made by Wayne Roen, seconded by Ruth Kuss. Motion carried.

5. Approval of Minutes: Motion to approve the minutes made by Joyce Breen, seconded by Kari Heinselman. Motion carried.

Action Items:

1. Wisconsin's Public Libraries and General Records Schedule. Motion made to accept the Wisconsin Library and General Records Schedule by Sean Dowling, seconded by Kari Heinselman. Motion carried.
2. Approval of March 2022 and April 2022 Library Expense Report. Motion made by Joyce Breen, seconded by Ruth Kuss. Motion carried.
3. Closed Session.

A motion was made by Jean Ritzinger, seconded by Wayne Roen to recess into Closed Session per Wisconsin State Statutes for the following purpose (19.85 (1) c f "considering employment, promotion, compensation or performance evaluation data of any public employee over which the governmental body has jurisdiction or exercise responsibility to wit: Library Director.

Roll was called. Motion carried.

Motion was made to adjourn from closed session by Joyce Breen, seconded by Mike Metro.

Roll was called. Motion carried.

4. Director's Salary -

A motion was made by Joyce Breen, seconded by Mike Metro, to grant the library director a 2.5% raise. Motion carried.

Adjournment: A motion was made to adjourn by Wayne Rudesill, seconded by Jean Ritzinger. Motion carried.

Respectfully submitted, Jean Ritzinger, secretary



222 Lewis Street
River Falls, WI 54022

Phone 715-425-0900
Fax 715-425-0915

PARKS AND RECREATION ADVISORY BOARD MINUTES
Wednesday, August 17, 2022 at 5:15 p.m.
City Hall Training Room

Members Present: Patricia LaRue (chair), Alyssa Mueller (Council Rep), Brandon Dobbertin, Brenda Gaulke, and Matt Janquart, and Natasha Schafer

Members Absent: Melissa Pedrini

Staff Present: Cindi Danke-Recreation Manager; Brenda Rundle-Recreation Assistant; Mike Stifter-Public Works Director; Jason Stroud-Asst. City Administrator

Others Present: Sean Downing and Ben Fochs

CALL TO ORDER

Meeting convened at 5:15 p.m.

APPROVAL OF MINUTES

MSC Mueller/Gaulke to approve the minutes of the July 20, 2022 Park and Recreation Advisory Board Meeting. Carried 6-0.

WELCOME to new board member Natasha Schaefer.

PUBLIC COMMENTS – Non-Agenda Items

Jason Stroud discussed public art at Glen Park. River Falls has a percent for art program, called "River Falls Creates." The first project was the blue metal wave at the power plant. The winner of the request for proposal (RFP) for art at Glen Park is called "Blossom" by an artist from California. (No artists from Wisconsin applied.) It is 9'-12' varying heights and made of durable and low-maintenance stainless steel. The exact installation location in Glen Park is still being decided; the long-term Glen Park plan needs to be considered. Park Board should send any location feedback to Jason Stroud. Eventually there may be a map listing of public art, along with a description of each piece on the City website. Part of the fund is set aside for future maintenance. Park Board chair Patricia will attend the next River Falls Creates meeting on behalf of park board to look at the possible installation locations. This will likely be installed next spring or summer.

Brandon reported that he has noticed ball strikes, cracks and general weathering on the sides of the Hoffman Park storm shelter.

DISCUSSION ITEMS

1. Hoffman Park Campground fees and rules were discussed. The fee will be increased slightly, partly to help cover card fees. After a discussion, all sites will be available for seasonal rental (no discount), but customers would need to pay for the full length of stay. If someone no-shows, the reservation will be canceled, and the site will become available to someone else at 9am the next day. Campground rules can be re-evaluated next year.

MSC Gaulke/Mueller to approve the increase in camping fees from \$20 to \$25 for electric site and \$10 to \$15 for tent site and that a tent in an electric site pays the full electric fee, and tents must be moved every five days to prevent grass damage, and other rule updates as discussed. Carried 6-0.

2. Mike Stifter updated Park Board that the Glen Park monument sign will be installed this fall at the west entrance. The pickleball courts will have a walk through with the contractor tomorrow regarding the resurfacing issues. Four newly installed playgrounds have turned out very well. They will be usable in the next week or two, but the Glen Park pour and play surface will take a couple more weeks. Sterling Ponds will receive soccer nets soon. There will also be berm and tree work, top dressing of the turf, and a baseball backstop installed this fall. The concrete around the octagon will be re-done this fall. The pool will close on evening of Sunday, August 28 but the splash pad will remain open through approximately Labor Day.

ACTION ITEMS

None

CALENDAR

The next Parks and Recreation Advisory Board meeting will be September 21, 2022.

ADJOURNMENT

MSC Mueller/Dobbertin to adjourn the meeting at 6:13 p.m.

Respectfully submitted,



Brenda Rundle
Customer Service Representative

Community Development Department

222 Lewis Street
River Falls, WI 54022
715.425.0900
www.rfcity.org



MINUTES PLAN COMMISSION AUGUST 2, 2022 CITY COUNCIL CHAMBERS

Members Present: Lisa Moody, Patricia LaRue, Diane Odeen, Dan Toland, Chris Holtkamp, Rebecca Prendergast
Members Absent: Mike Woolsey (excused)
Staff Present: Emily Shively, Angie Bond, Sterling Hackney, Jonathan Thoen, Kendra Ellner, Sam Burns
Others Present: Chad Smurawa, virtual

CALL TO ORDER

Meeting convened at 6:28 p.m.

APPROVAL OF MINUTES

M/Odeen, S/Moody to approve minutes. Motion carried 6/0.

PUBLIC COMMENTS

Kristie Smith, Executive Director at St Croix Valley Habitat for Humanity commented on the Habitat for Humanity Community on Apollo Rd. Smith stated they built the homes to be eco-friendly and the solar panels will need access to the sun and is concerned about what height restrictions are being considered for the housing development across the road.

ORDINANCES AND RESOLUTIONS

Resolution regarding a change in zoning classification for the parcel at the southeast corner of South Wasson Lane and Cemetery Road (PID 276013020401) from R-3 Multiple Family Residential to S-Z School Zone.

Mayor requested a motion to approve the ordinance, M/Holtkamp, S/Odeen to approve the Zoning Ordinance Text Amendments and City Code Amendments. Planner Sam Burns provided a presentation on the zoning change request for a property located at the SE corner of Cemetery Road and S Wasson Lane roundabout. The request was submitted by Roundabout LLC and they are working with the school district to build a school on the property. It is currently zoned R-3 Multi Family Residential and is proposed to rezone to SZ School Zone to accommodate a 10,000 square foot building for a school use. The site for the alternative school is compatible with adjacent uses. All River Falls School Districts properties are zoned SZ School Zone, and this will keep all School District properties consistently zoned. This zoning amendment would require a change to the future Land Use Map to Public/Institutional which would provide consistency to proposed zoning designation and the future land use classification. Property owners within 300 feet of the parcel were notified of this request and a sign placed on the site. No comments or questions have been received. Next steps include going before the City Council meeting for the first reading on August 23, 2022. Staff recommends forwarding the resolution approving a zoning map and future land use map amendment to the City Council with a favorable recommendation.

Odeen asked how large the parcel is. Joe Fischer, owner of the parcel, clarified the size of the parcel is 1.57 acres. Holtkamp asked for the meaning of the alternative school. Owner stated the Renaissance School had a temporary home on South Wasson Lane, this new location will be its long-term home. Chad Smurawa, River Falls School District, explained the alternative school is designed for students who need hands on learning or students who flourish in a smaller environment. Students have more flexibility and can move through course work faster if they wish. La Rue asked who owns the building, and who is funding the construction. Joe Fischer, owner of the property, will build it and the River Falls School District will lease it with option to purchase. La Rue asked for clarification on who gets the notices on the proposed rezoning, property owners or residents. Shively clarified it is the property owners. All in favor 6/0.

Resolution regarding the annexation of the Wells/Meyer property (southwest of West Maple Street and South Apollo Road – N8817 1010th St and N8753 1010th St) and application of a zoning classification of R-2 multiple Family Medium Density for the subject property.

The Mayor asked for a motion to approve the annexation, M/Moody, S/Odeen to approve. Planner Kendra Ellner provided a presentation and stated that the City has received a request for annexation submitted by Twin Cities Land Development, LLC on behalf of Mary K. Johnson and Kelly M. Gutierrez (Trustees for the Marlene W. Wells Revocable Trust) and Charles B. and Patricia Meyer, for two parcels totaling 37 acres South of Maple Street and West of Apollo Road. The properties are contiguous to the City and compatible with adjacent land uses. The properties currently contain single family homes and agriculture uses. A prospective developer has expressed interest in residential housing for approximately 70 single family homes and 48 twin homes. If the properties are annexed the developer will proceed with the development review process. The existing future land use is Residential Medium Density and the proposed would remain Residential Medium Density. The zoning classification currently is Residential Suburban, and the proposed zoning once annexed is R2 Multiple Family High Density. Ellner went over the 2018 Housing Study which shows the City of River Falls is in need of an additional 1,415 housing units. Next steps include going before the City Council meeting for the first reading on August 23, 2022. Staff recommends to Council annex the properties to the City.

La Rue had a comment on item six regarding the payment of taxes the City would have to pay to the Township of River Falls for the two properties. The amounts are relatively low. Mayor Toland clarified it is taxes the City receives and then will pay to the Township. Odeen explained this process lessens the tax burden on the Town when an annexation occurs. All in favor 6/0.

ADJOURNMENT

Moody made a motion to adjourn at 6:46 p.m. S/Holtkamp; motion carried 5/0.

Respectfully submitted,

Angie Bond, Community Development Assistant

MINUTES

August 9, 2022 at 8:30 a.m.
Foster Conference Room – City Hall
222 Lewis Street River Falls, WI 54022

Members present: Kerri Olson, Terry McKay, Heidi Hanson, Vince Seidling, Mike Miller, Amy Halvorson

Members Absent: Russ Korpela, Mike Pepin, Joleen Larson,

Others present: Sam Burns, City Staff

CALL TO ORDER– Halvorson called the meeting to order at 8:33 a.m.

Agenda/Meeting Minutes

The meeting minutes for the July 9, 2022 meeting were approved. M/S Mike and Terry to approve; unanimous

Financials

Olson was present to provide information regarding the financials. A conversation was had on the funding for murals and public art and the additional funds that are remaining at this point in the year.

Misc.:

BID Board Website

Halvorson shared some research she conducted into website hosting and maintenance. Halvorson provided pricing from a vendor and stated that she felt like it was necessary to spend some money on website maintenance and updating. An additional BID will be sought before a decision on which vendor will be made. The committee discussed clarifying and improving the application process on the website for future applicants.

Downtown Benches

Planner Burns noted that the money allocated at the previous meeting for downtown benches will not cover the costs. Chair Larson had requested an additional \$1,100 be released to fund two downtown benches.

Next Meeting

The next meeting will be held September 13, 2022.

ADJOURNMENT

M/S Hanson/McKay to adjourn; unanimous vote at 9:12 a.m.



**CITY OF RIVER FALLS WISCONSIN
UTILITY ADVISORY BOARD AGENDA
MEETING MINUTES
AUGUST 15, 2022**

The meeting was called to order by Utility Advisory Board Chair Kellen Wells-Mangold at 6:30 p.m.

Utility Advisory Board Present: Nick Carow, Adam Gierl, Mark Spafford, Tim Thum and Kellen Wells-Mangold

Utility Advisory Board Absent: Chris Lick

Staff Present:

Utility Director Kevin Westhuis; Wastewater/Water Superintendent Dean Seemuth; Utility Administrative Assistant Lanae Nelson and IT Specialist Jonathan Thoen

Approval of Minutes:

Meeting Minutes: 07-18-2022

MSC Gierl/Spafford approve minutes. Unanimous.

CONSENT AGENDA:

Acknowledgment of the following minutes:

West Central Wisconsin Biosolids Facility Commission: 07-21-2022

Utility Director Westhuis and Wells-Mangold spoke on the City's Non-Renewal Letter sent to the WCWBF Commission board, mutual aid and Mondovi's one-year Contract-Extension.

MSC Gierl/Carow approve minutes. Unanimous.

NEW BUSINESS:

Resolution 2022-05 – Approving the Contract for Wastewater Treatment Facility Biosolids Dewatering and Drying Design Services

Westhuis presented the recommendation of the Wastewater Treatment Facility Biosolids Dewatering and Drying Design Services. He reviewed the five proposals received, process of reviewing, scoring and the decision for selecting Strand Associates, Inc.

Ayres Civil/Municipal Engineer Kristy Treichel and Ayres Architect Mark Paschke commented on their bid and partnership of their subcontractor Applied Technologies Incorporated (ATI).

Westhuis, Water/Wastewater Superintendent Seemuth and the board discussed further on the bid matrix process, financial considerations, contracts, City's CIP, working history of the companies in the bids and selection process.

MS Carow/Thum moved to approve the resolution. Wells-Mangold asked for any further discussion.

Motion by Wells-Mangold for an amendment to the resolution, requesting the City Administrator to negotiate a contract not to exceed \$550,000 for design of the biosolids dewatering and drying facility for the River Falls Wastewater Treatment Facility (WWTF) with Strand Associates, Inc. Should a satisfactory contract not be agreed upon, staff will revisit the bids, re-evaluate, and make

a new recommendation.

Wells-Mangold asked if there was further discussion on the amendment. Thum/Gierl moved to approve the amendment. As there was no further discussion, Wells-Mangold asked for a vote on the amendment proposed. Amendment passed unanimously.

Resolution 2022-06 – Regarding CORE Fee Reimbursement and Option for River Falls Non-Resident Utility Customers

Westhuis presented the recommendation that the UAB advise City Council to authorize CORE fee account refunds to River Falls Non-Resident Utility Customers. Staff reviewed this issue with the City Attorney. The established fee is \$1.25 a month to cover the cost of services, and was established in August 2018. Staff stopped charging non-resident customers the fee as of the July 2022 billing cycle which started late June. The impacted Non-Resident Utility Customer refund would not-to-exceed \$60.00 for each impacted customer. Westhuis reviewed the established fee pays for services of the spring and fall cleanup events, annual electronic recycling event and the compost site.

Staff is recommending the fee paid by non-resident customers be refunded to them by a utility account credit and give these account holders an option to enroll in the CORE fee program if they wish. There are 322 eligible customers.

The board discussed reimbursement, CORE fee program services and the City Attorney recommendation.

MS Gierl/Carow moved to approve the resolution. Wells-Mangold asked for any further discussion. Spafford not in favor of the reimbursement to the customers that used the services.

As there was no further discussion, Wells-Mangold asked for a vote. It passed 4-1 with Carow, Gierl, Thum and Wells-Mangold in favor and Spafford voting against.

REPORTS:

Finance Report

Westhuis gave a brief overview of the finance report, which was included in the packet. He reviewed last years numbers in comparison to this year's.

Westhuis and Seemuth discussed irrigation water pressure in the Highview Meadows and Boulder Ridge areas.

Utility Dashboards

The 2022 July utility dashboards were included in the packet. Westhuis reviewed the Wisconsin Department of Health Services August 2022 River Falls Wastewater SARS-CoV-2 Report was included.

Monthly Report

The 2022 July monthly utility reports were in the UAB packet for review.

ANNOUNCEMENTS:

City of River Falls Municipal Utilities Customer Appreciation Event is August 18, 2022, at City Hall from 4 – 6 p.m.

Wells-Mangold asked if updates on the dams with fundraising and Westhuis said no. He commented that United States Army Corps of Engineers has asked the City if they want to do a study.

ADJOURNMENT:

MSC Carow/Thum to adjourn. Unanimous.

UAB Chair Wells-Mangold announced meeting adjourned at 7:19 p.m.

Reported by: Utility Administrative Assistant Lanae Nelson

Lanae Nelson, Utility Administrative Assistant

Commission meeting

August 18, 2022

Board Members Present: John Bond, Greg Engeset, Kevin Westhuis, Steve Skinner, and Gary Newton. Randy Lindquist, ill, and not present. On-line: Rick Caruso, Joe Intihar, and Chris Holmes. Others present: Jim Thanig, Eric Lynne (Donahue and Associates), Josh Buhr, Jeremy Wood, Matt Holman, Brad Vick.

Gary Newton called meeting to order at 8:30 am in River Falls, Wi. (Conference room)

- **Consent Agenda:**

Approval of Bills: Motion was made and passed to approve May payments totaling \$162,942.56. M/S Greg/Steve – passed unanimously

- Approval of July 21st Minutes: Motion was made and passed to approve the July 21st Board meeting minutes. M/S Greg/Steve – passed unanimously

Financial Report:

Gary presented financial report as outlined in agenda packet. Billed revenues of \$136,638.67 and monthly expenses of \$104,226.57 M/S Greg/Steve – passed unanimously

Facilities Report:

No issues to report and pass along. Randy is sick and did not pass along any major issues to report.

- **Old Business:**

Phase 0.5 update – Eric from Donahue reviewed the draft plan and bidding timeline. Donahue is waiting for the DNR permits and bidding may have to wait until December. The board discussed odor control gave Donahue the nod to move ahead with Carbon odor mitigation.

New Business:

- The board approved a motion to allow Donahue to move ahead with securing the 1.6 million dollar “line item” grant awarded to the WCWBS phase .05 project. M/S Kevin/Greg
- Discussed technology upgrades for “Teams” meetings for the WCWBS training room. Decided to visit River Falls for a demo in August.
- 2023 Budget / Project discussion: No discussion ensued as this would be better done with Randy in attendance.
- Board seemed to like the technology that River Falls was using to stream the meetings. All in attendance remotely were impressed with how well they could hear and see the people in the meeting.

Adjournment:

Meeting adjourned. M/S Kevin/Greg

MEMORANDUM

TO: Mayor Toland and City Council
FROM: Zach Regnier, Senior Civil Engineer
 Dean Seemuth, Water/Wastewater Superintendent
DATE: September 27, 2022
TITLE: Resolution Accepting Bid for North Loop Extension

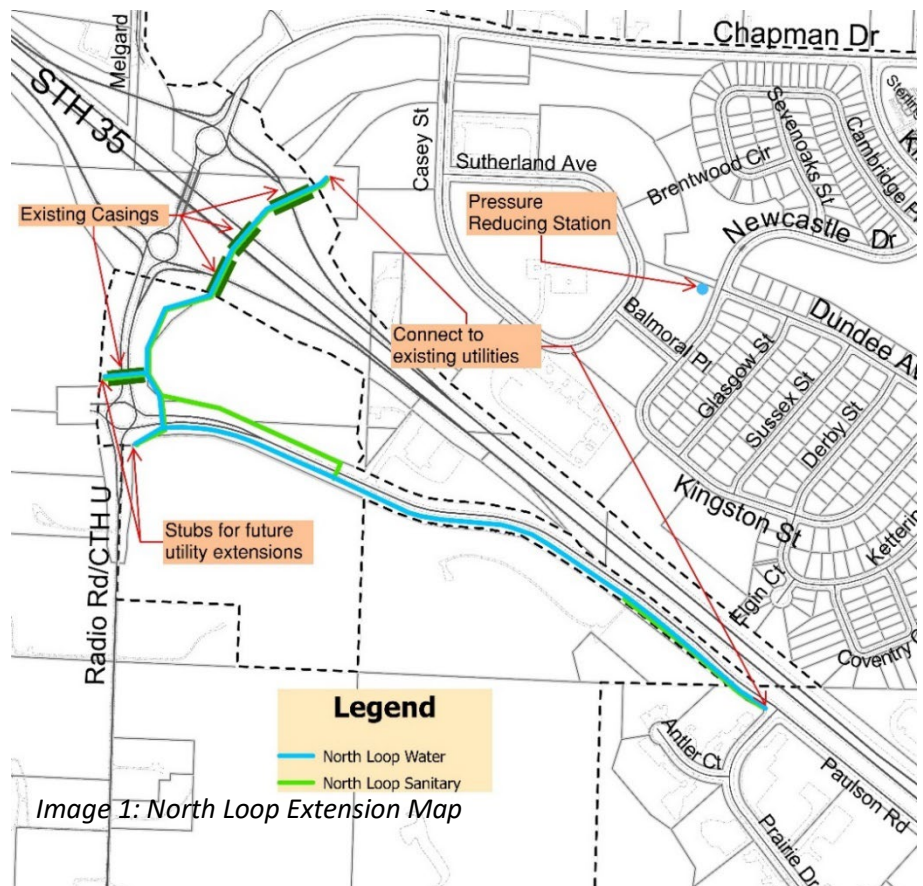
RECOMMENDED ACTION

Approve the resolution awarding bid for North Loop Extension project to Total Excavating LLC in the amount of \$3,094,461.90.

BACKGROUND

The North Loop Extension Project (The Project) includes installation of water main and sanitary sewer along Paulson Road from Prairie Drive to Radio Road, then crossing under STH 35 to connect to the existing water and sewer system in the Sterling Ponds Corporate Park. The project also includes the construction of a multi-use pathway, curb and gutter on Paulson Rd, and a pressure reducing station between the Sterling Ponds Corporate Park and residential district.

The Sterling Ponds Corporate Park and residential area are currently served water by a non-looped water distribution system. This region of our water system is susceptible to outages in the event of a water main break. The Project, along with the North Water Tower, will significantly improve system reliability and increase fire flow capacity by connecting the north high-pressure zone to the main-pressure zones. Completion of The Project will also alleviate low



pressure concerns in the residential areas, which have been reported to the water utility with regularity, especially during dry weather when irrigation systems are heavily used.

Development of recently annexed properties on Paulson Road is expected to begin soon. These properties cannot be served with sewer and water until this extension project is complete; the development will contribute capital costs for public improvements. The Mann Valley Corporate Park is also under design and requires watermain extensions from The Project along Radio Road to adequately serve future businesses.

DISCUSSION

Bids were solicited by SEH, Inc. on behalf of the City of River Falls, for this project in accordance with the City's purchasing policy and opened at 11:00 a.m. on Thursday, September 8, 2022. Four bids were received, and the results are as follows:

Total Excavating LLC.	\$3,094,461.90
Haas Sons, Inc.	\$3,580,914.25
A-1 Excavating, Inc.	\$3,666,666.20
Minger Construction Co. Inc.	\$3,988,889.25
Engineer's Estimate	\$3,130,755

SEH and City staff reviewed the bids and recommend awarding the contract to the low bidder, Total Excavating LLC, in the amount of \$3,094,461.90.

FINANCIAL CONSIDERATIONS

Sources		Uses	
Bond Proceeds	\$3,094,461.90	Water System	\$1,500,117.50
		Sanitary Sewer System	\$811,295.50
		Streets and Storm Sewer	\$783,048.90
Total	\$3,094,461.90	Total	\$3,094,461.90

CONCLUSION

Utility Advisory Board (UAB) reviewed the bid recommendation at its September 19, 2022, meeting. The UAB is forwarding the resolution for approval of the resolution awarding the bid for the North Loop Extension to Total Excavating LLC in the amount of \$3,094,461.90.

September 13, 2022

RE: North Loop Extension
River Falls, WI
SEH No. RIVER 166831 14.00

Amy White, City Clerk
City of River Falls
222 Lewis Street
River Falls, WI 54022

Dear Ms. White:

On Thursday, September 8, 2022, unit price bids were received for the North Loop Extension project. The attached Tabulation of Bids shows the unit price bids received from all bids submitted.

Four bids were received for the project. The bids ranged from \$3,089,461.90 to \$3,988,889.25. The low bid was submitted by Total Excavating LLC, River Falls, Wisconsin. Based on our experience and review, it is our opinion that Total Excavating LLC has the required equipment and expertise to perform the work as outlined in the contract specifications.

One of the project bid items was specified to be bid at \$25,000. The Total Excavating unit price for this bid item was mistakenly entered as \$20,000. The Unit Price should be revised for the Construction Contract to comply with the specifications. We have contacted Total Excavating and made them aware of this change. The quantity for this unit is 1 lump sum and so the bid will be increased in the amount of \$5,000.

We, therefore, recommend award of the project to Total Excavating in the amount of \$3,094,461.90.

SEH retains electronic copies of bids and bonds of all bidders. The bid and bond of the low bidder will be incorporated into the contract documents after all applicable documentation has been signed by the Contractor and Client and provided to SEH.

We hope this analysis of the bids is adequate for your needs. If you have any questions regarding this information, please contact me

Sincerely,



Crystal Raleigh, PE
Project Manager
(Lic. WI)

hh

Enclosure

c. Todd Nickleski – City of River Falls, City Engineer

\\sehinc.com\panzura\pzprojects\ptl\river\166831\6-bid-const\bidding documents\bid award letter_09.08.2022.docx



RESOLUTION NO.

AWARD BID FOR NORTH LOOP EXTENSION CONSTRUCTION TO TOTAL EXCAVATING LLC.

WHEREAS, the North Loop Extension project is included in the 2022-2026 CIP; and

WHEREAS, a water main loop is required to provide sufficient water pressure, fire flows, and service redundancy to the Sterling Ponds Corporate Park and residential area; and

WHEREAS, the North Loop Extension project will provide for future extensions to serve future development on Paulson Rd, Radio Rd, and the Mann Valley Corporate Park; and

WHEREAS, bids were solicited for the North Loop Extension project in accordance with State and City requirements and were opened on Thursday, September 8, 2022; and

WHEREAS, the low bid for the North Loop Extension project was submitted by Total Excavating LLC. in the amount \$3,094,461.90; and

WHEREAS, the Utility Advisory Board recommends awarding the bid to Total Excavating LLC; and

NOW, THEREFORE, BE IT RESOLVED that the Common Council of the City of River Falls hereby accepts the bid from Total Excavating LLC. in the amount of \$3,094,461.90 for the North Loop Extension project.

Dated this 27th day of September, 2022.

Dan Toland, Mayor

Attest:

Amy White, City Clerk



MEMORANDUM

TO: Mayor Toland and City Council Members

FROM: Sam Burns, Planner

DATE: September 27, 2022

TITLE: **Resolution Approving the General Development Plan (GDP) for a 101-unit Multi-family Building on Paulson Rd (PID 276-1093-60-100)**

RECOMMENDATION

Adopt a resolution approving a General Development Plan (GDP) for a 101-unit multi-family building on Paulson Rd (PID 276-1093-60-100)

BACKGROUND

Frisbie Companies and Amcon Construction are requesting approval of a General Development Plan (GDP) for a 101-unit multifamily development on Paulson Rd, just north of Tattersall Distilling. A GDP request is a request for approval of a conceptual plan of the project that depicts the proposed land uses, lot layout, access, utilities, open space, landscape areas, location of structures, and densities of any proposed dwelling units. Approval of the GDP establishes the basic right of use for the area, but the approval is conditioned upon the Specific Implementation Plan (SIP) remaining in substantial conformity with the GDP.

The applicant is seeking a Planned Unit Development (PUD) special use designation for the project. According to [Sec.17.72.010](#), a PUD is “intended to encourage and promote improved environmental design by allowing for greater imagination and flexibility in the development of land, while assuring substantial compliance to the basic intent of the zoning ordinance and the comprehensive plan. Such developments are also intended to provide a safe and efficient system for pedestrian and vehicular traffic; to provide attractive recreation and open spaces as an integral part of the development; to enable efficient design in the location of public and private utilities and community facilities; and to ensure adequate standards of construction and planning. Flexibility granted to developers through the use of the PUD special use shall be repaid through the provision of enhanced design or other such benefit that may be derived by both the developer and the community.”

Location Map: Paulson Rd (PID 276-1093-60-100). Subject property highlighted in red; North is to the left



DISCUSSION

The proposal is for development of a 101-unit multi-family apartment building on Paulson Road. The 4-story apartment building will have a mix of unit types (final unit design will be determined with the SIP submittal). Preliminary design of the building includes the following unit types and sizes:

- Studio: 8 units at 541 SF
- Studio/Alcove: 7 units at 610 SF
- 1 Bedroom: 53 units at 805 SF
- 1 Bedroom + Den: 15 units at 917 SF
- 2 Bedroom: 17 units from 1,122 to 1,198 SF

The development will also include staff offices, lobby space, a large community room, dog washroom, bike workshop room, and three individual business work rooms. The first floor of the building will also include an approximately 4,500 sq ft space for a future commercial tenant. The applicant is targeting several gym franchises as a potential tenant for that space. The site will have a large courtyard with shaded canopies and trellis areas, lounge seating, grilling, game options, outdoor fitness, and landscaped and dog walking areas. An additional amenity includes a second-floor common outdoor roof deck for all residents to use.

Access to the development will be provided via entrances on Paulson Road on the north and south ends of the parcel. Pedestrian and bicycle circulation will be supported via connection to the Paulson Rd trail with other sidewalks and outdoor spaces throughout the development.

A detailed architectural rendering of a modern multi-story apartment building. The building features a mix of orange, grey, and white siding, black window frames, and balconies. The design is contemporary with clean lines and a variety of window sizes and placements. The building is set against a light blue sky and a green lawn.

PROPOSED
APARTMENT BUILDING
±27,842 SF
FFE: 926.00
LLE: 914.33

REDESIGNED EXISTING
DETENTION POND

PARKING ROAD

PARKING ROAD

CRITERIA FOR GDP APPROVAL

The GDP is the first step in the PUD process that provides the conceptual layout of the project. A Specific Implementation Plan (SIP) will be prepared if the GDP is approved that will provide detailed civil, architectural, and stormwater plans. As a basis for determining the acceptability of a PUD application, the criteria as listed in [17.72.070](#), Municipal Code, shall be considered as well as its consistency with the Comprehensive Plan and Official Map, and public benefits. These criteria, with staff analysis, are detailed as follows:

1. Consistency with Comprehensive Plan and Official Map. The 2005 Comprehensive Plan [Future Land Use map](#) shows the site as Community Commercial and the site is zoned B-3 Highway Commercial. The B-3 Highway Commercial zoning district allows multi-family residential development as a permitted use. The project does not include any new roadways or changes to existing roadways and is consistent with the [Official Map](#).
2. Community benefits.
 - a. This project will provide multi-family housing in a market with a current deficit of this housing type as identified in the [Comprehensive Housing Needs Analysis](#).
 - b. The proposed project will provide residential density in an area with proximity to employment and goods and services.
3. Character and Intensity of Land Use.
 - a. Character. The current proposal is for a 101-unit multi-family building comprised of studio, one-bedroom, and two-bedroom units with potential for a franchisee tenant on the ground floor. The applicant is making an active effort to make the building compatible with the existing amenities and businesses in the area. The applicant states "The exterior design will complement the new Tattersall facility and other adjacent existing commercial buildings."
 - b. Density. The open space requirement for multifamily housing in a R3 zoning district is 1:1. As noted above, the proposed density is consistent with City plans for the area with proximity to goods and services. Approximately 15% of the site is covered by the building, 16% is stormwater mitigation, 28% of the site is committed to parking and drives, and the remaining 51% of the site is green and pedestrian spaces. An additional 605 sq ft is being provided via a communal rooftop deck on the second floor and there are 40 sq ft private decks on the majority of units. Due to the limitations of the site, the value provided by the development, proximity to public open space amenities such as the Whitetail Ridge Park and the amenities proposed by the developer to provide additional open space for the development, staff recommends granting flexibility on the open space requirements.
 - c. Parking. City code requires two spaces per dwelling unit for multi-family; the 101 units proposed by the developer would require 202 parking spaces. The space for a franchise tenant would require approximately 23 parking spaces depending on exact usage. The developer is proposing 71 underground parking spaces and 145 surface parking spaces for a combined total of 216 parking stalls, approximately nine spaces below the requirements. Given the proposed unit mix with approximately 83 studio and one-bedroom units, staff recommends flexibility with overall parking provision for the project, should it be needed. However, the developer has indicated that they anticipate being able to meet parking requirements as the details of the project are finalized in the SIP phase.
 - d. Provision of Municipal Services. Utilities staff have reviewed the preliminary documents and have determined that the project is feasible; no red flags were raised. Utilities staff will complete their full plan review during the SIP phase.

- e. School Enrollment. The project is not expected to significantly impact school district enrollment.
- f. Traffic Impacts. Staff has determined that existing roads have sufficient capacity to handle the proposed development.
- 4. Economic Impacts. Staff is currently working with the developer on a tax increment financing request. At this time the development is projected to cost approximately \$24.5 million. Staff anticipates a Developer's Agreement that will go to Council during the SIP process.
- 5. Engineering Design Standards. Detailed engineering specifications will be provided in the SIP phase of the approval process to ensure the project meets engineering and design standards per the municipal code. Preliminary staff review of the project has not noted any significant concerns with the concept plan.
 - a. Stormwater mitigation. This project is redesigning and reconfiguring the existing large storm water retention pond that is common to the surrounding sites. This redesign is anticipated to improve water and erosion issues for the Tattersall site and improve the stormwater retention on the adjacent parcel to the west, which in turn will provide improved stormwater quality and longer time of concentration with delayed flow rates to the stormwater pond adjacent Paulson Road. The pond is being regraded without outlet modifications for improved performance with reduced outlet flows from existing conditions.
- 6. Parks and Open Space. Staff is not recommending any additional open space requirements for this development.

NOTIFICATION

A request for a Planned Unit Development General Development Plan (PUD GDP) requires a public hearing at the Plan Commission. A notice for public hearing was placed in the Pierce County Journal on August 31, 2022.

SUMMARY

The applicant is seeking approval for a PUD for a 101 multi-family residential development. The development will provide a variety of community benefits including area stormwater improvements, community amenities, and needed housing. A PUD is being sought to provide flexibility on code requirements pertaining to density, open space, and parking if necessary.

CONCLUSION

Plan Commission reviewed the GDP and held a public hearing on September 6, 2022. The Plan Commission forwarded the enclosed resolution to City Council with a favorable recommendation.



RESOLUTION NO.

**RESOLUTION APPROVING THE PLANNED UNIT DEVELOPMENT (PUD)
GENERAL DEVELOPMENT PLAN (GDP) FOR A 101-UNIT MULTI FAMILY DEVELOPMENT**

WHEREAS, Frisbie Companies and Amcon Construction filed an application for a 101-Unit Multi Family Planned Unit Development (PUD) on Paulson Rd (PID 276-1093-60-100) and approval of a General Development Plan (GDP) is required for the first phase of the PUD process; and

WHEREAS, the applicant is requesting flexibility on the requirement of 1,200 sq ft of open space per dwelling unit per Sec 17.28.070 while providing amenities on the site including outdoor spaces, balconies, pedestrian connections to existing trails, and a commercial space for a franchise tenant; and

WHEREAS, the City is willing to grant flexibility on the requirement of two parking spaces per unit per Sec 17.28.080, should it be requested; and

WHEREAS, the applicant is providing stormwater improvements that will improve stormwater mitigation and drainage for the surrounding area; and

WHEREAS, the Plan Commission held a public hearing and reviewed the General Development Plan on September 6, 2022, and found it to be acceptable and consistent with City plans for the area;

NOW, THEREFORE, BE IT RESOLVED, that the City Council of the City of River Falls hereby approves the General Development Plan for a 101-unit multi-family development subject to the following conditions:

1. Execution of a long-term stormwater maintenance agreement between the developer, City, and adjacent property owner.
2. The Specific Implementation Plan (SIP) shall be in substantial compliance with the approved General Development Plan (GDP) per Sec. 17.72.040.C.3.

Dated this 27th day of September 2022.

CITY OF RIVER FALLS

Dan Toland, Mayor

ATTEST:

Amy White, City Clerk

MEMORANDUM

TO: Mayor Toland and City Council

FROM: Jackie Hanson, Deputy City Clerk

DATE: September 27, 2022

TITLE: **Preliminary Resolution-Business Improvement District**

RECOMMENDED ACTION

Adopt the attached resolution which will authorize proceeding with special assessments for the downtown Business Improvement District (BID).

BACKGROUND

The BID assessment has been in place since 1988. The request from the Business Improvement District Board is to continue with an annual assessment of \$44,500 to fund improvements in the downtown district. Each property in the business improvement district pays a portion of the assessment based on the assessed values as of January 1, 2022. The City's administrative costs of \$2,500 are included in the assessment total.

A public hearing on the final assessment is scheduled for October 25, 2022, to allow property owners within the district to provide comments and voice concerns before the final assessments are approved. City Council will be provided the proposed 2023 budget.

FINANCIAL CONSIDERATIONS

The assessment is spread over all properties in the business improvement district, based on the assessed value of the property. A schedule of the assessment for each parcel will be included in the information presented at the public hearing.

CONCLUSION

Upon approval from the Council, affected property owners will be notified of the proposed assessment and the date of the public hearing.



RESOLUTION NO.

PRELIMINARY RESOLUTION DECLARING INTENT TO EXERCISE SPECIAL ASSESSMENT POLICE POWERS UNDER SECTION 66.0703 WISCONSIN STATUTES FOR THE BENEFIT OF THE RIVER FALLS BUSINESS IMPROVEMENT DISTRICT

RESOLVED, by the Common Council of the City of River Falls, Wisconsin:

1. The Common Council hereby declares its intention to exercise its police power under Section 66.0703 Wisconsin Statutes, to levy special assessments upon property for the benefit of the River Falls Business Improvement District (BID), the Common Council having approved the operating budget submitted by the Business Improvement District Board. The special assessments that will be levied by the Common Council are upon the following described real property located in the BID, City of River Falls:

NORTHERN BOUNDARY

Commercial properties included south of the line running easterly from the northeast portion of the intersection of Lewis and Division Streets, continuing across the Kinnickinnic River, and then running along the southern portion of Division Street to the northwest portion of the intersection of Division and Third Streets.

EASTERN BOUNDARY

Commercial properties included west of the line running southerly from the northwest portion of the intersection of Division and Third Streets to Cedar Street; then easterly across the alley; then southerly to include property identification number (PIN) 1009-04 (State Bank of River Falls); then easterly to the west side of Third Street; then southerly to the northeast intersection of Third and Walnut Streets; then westerly across the alley; then southerly to the northwest portion of the intersection of the alley and Locust Street; then westerly to the northeast portion of the intersection of Second and Locust Street; then southerly along Second Street crossing Spring Street continuing southerly along Oak Street to the southeast portion of the intersection of Oak Street and Cascade Avenue; then westerly to southeast corner of Main and Cascade; thence generally south to the northeast corner of South Main and Vine.

SOUTHERN BOUNDARY

Commercial properties included north of the line which starts at the northeast portion of the intersection of Vine and South Main Streets, and which runs westerly along the northern portion of Vine Street to the northeast portion of the intersection of Vine and State Streets.

WESTERN BOUNDARY

Commercial properties included east of the line running northerly from northeast portion of the intersection of State and Vine Streets across Cascade Street; then easterly to the southwest corner of PIN 1097-10; then northerly to Lake George; then generally north and northeast along the east shore of Lake George and the Kinnickinnic River to a point on the east end of the Maple Street bridge; then northerly to the northeast portion of the intersection of Pine and Clark Street; then westerly to the northeast portion of the intersection of Pine and Clark Streets; then north to the northeast portion of the intersection of Lewis and Division Streets.

2. The improvements which shall constitute the special assessment levies shall be for the payment of general operating expenses and project expenses, said improvements and expenses to be incurred for the benefit of those properties that are in the BID.
3. The total amount assessed against the properties within the BID shall not exceed 100 percent of the total cost of the operating budget approved for the operation of the BID for calendar year 2023. The Common Council determines that the assessment for the operating budget of the BID constitutes an exercise of police power and benefits the properties in the BID based upon the assessed valuation of the properties within the BID.
4. The assessment against any parcel shall be included on the real estate property tax rolls and shall be paid in full by January 31, 2023. All special assessments received by the City for use in the Business Improvement District shall be placed in a segregated account in the municipal treasury pursuant to Section 66.1109(4) of the Wisconsin Statutes.
5. The BID Board of Directors shall prepare a report which shall consist of:
 - A. The proposed operating budget of the BID for calendar year 2023, showing all planned payments, receipts and expenditures for the BID.
 - B. A listing of each parcel in the BID, and its assessed valuation, and its record owner, and current tenant if different from the owner.
 - C. A schedule of the proposed assessments against each parcel in the BID.
6. When the report is completed, the President of the BID Board of Directors shall file a copy of the report with the City Clerk for public inspection.
7. Upon receipt of the report of the President of the BID Board, the City Clerk shall cause notice to be given stating the nature of the proposed expenditures within the BID, the general

boundary lines of the BID (including a small map thereof), the time and place at which the report may be inspected, and the time and place of the public hearing on the matters contained in the preliminary resolution and the report. This notice shall be published as a Class I Notice and a copy shall be mailed at least 10 days before the hearing to every interested party.

8. The hearing shall be held in the Council Chambers in the City of River Falls at a time set by the Clerk in accordance with Sections 66.0703(7)(a) of the Wisconsin Statutes.

Dated this 27 day of September, 2022.

FOR THE CITY OF RIVER FALLS

Dan Toland, Mayor

ATTEST:

Amy White, City Clerk



MEMORANDUM

TO: Mayor Toland and City Council Members

FROM: Josh Solinger, Finance Director

DATE: September 27, 2022

TITLE: Resolution Awarding the Sale of \$5,155,000 General Obligation Sewerage Bonds, Series 2022C

RECOMMENDED ACTION

Approve the sale of \$5,155,000 in General Obligation Sewer Bonds to finance costs of the north interceptor sewer extension project and the wastewater portion of the north utility loop project.

BACKGROUND

In August 2022, the City Council authorized initial resolutions authorizing the sale of bonds to finance the Wastewater Utility's costs for the north interceptor sewer extension project and the north utility loop project. Following adoption of the initial resolutions, an Official Statement was prepared to solicit bids and a credit rating was requested from Moody's.

DISCUSSION

The bids will be received on Tuesday, September 27 and available at the Council meeting for. A final resolution reflecting the recommended bid will be distributed at the City Council meeting.

FINANCIAL CONSIDERATIONS

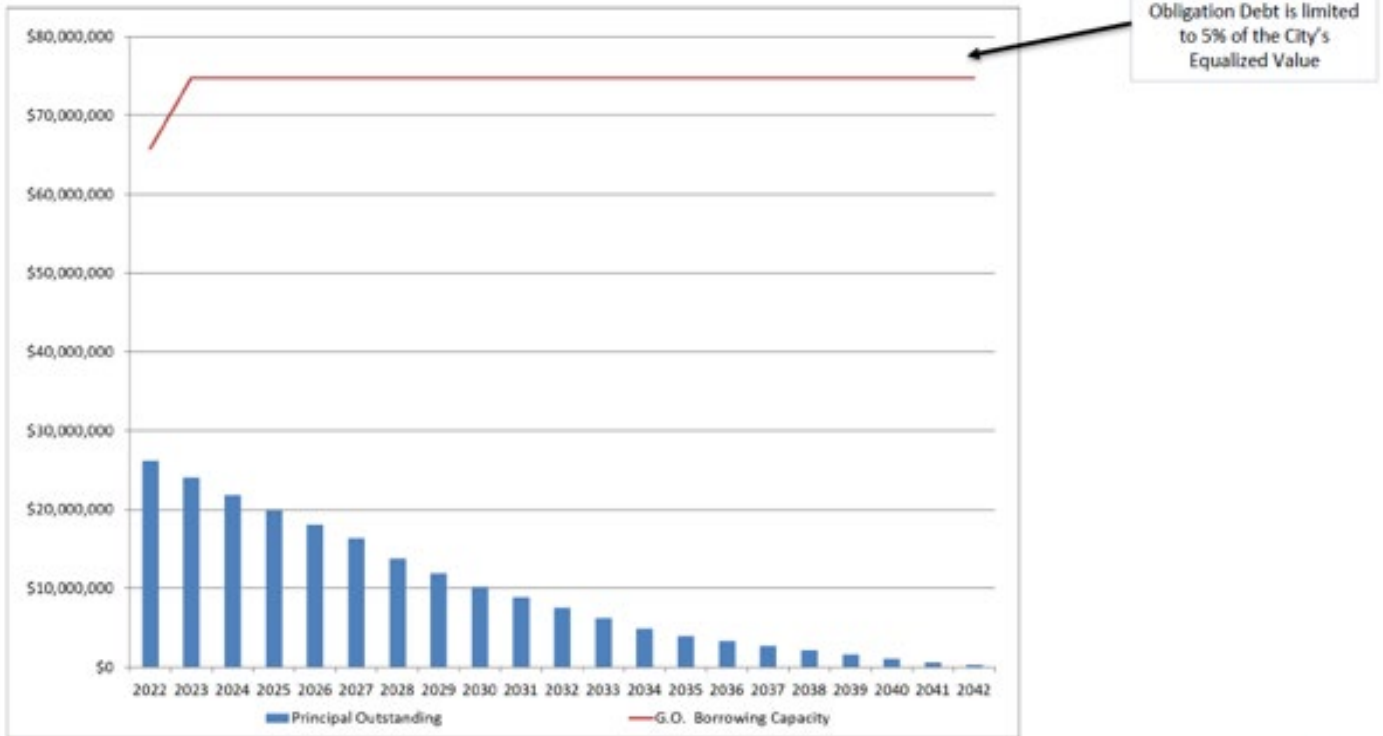
The Official Statement contains a table of planned principal installments for the City's borrowing. A complete amortization schedule, including interest payments, will be prepared after bids are received during the day on September 27 and available at the Council meeting. The tables below provide the planned principal installments as well as the City's General Obligation borrowing capacity, including all 2022 General Obligation borrowings.

Table 1. Planned Principal Installments

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$200,000	2030	\$235,000	2037	\$305,000
2024	195,000	2031	245,000	2038	325,000
2025	205,000	2032	255,000	2039	335,000
2026	210,000	2033	265,000	2040	275,000
2027	215,000	2034	275,000	2041	285,000
2028	220,000	2035	285,000	2042	300,000
2029	230,000	2036	295,000		

Table 2. General Obligation Borrowing Capacity

Impact on General Obligation Borrowing Capacity (With 2022 Debt Issues)



CONCLUSION

Sean Lentz will be available on behalf of Ehlers to present the bid results and make a recommendation to the Council.

RESOLUTION NO.

RESOLUTION AWARDING THE SALE OF \$5,155,000 GENERAL
OBLIGATION SEWERAGE BONDS, SERIES 2022C

WHEREAS, on August 23, 2022, the Common Council of the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "City") adopted an initial resolution authorizing the issuance of general obligation bonds in an amount not to exceed \$5,155,000 for the purpose of paying the cost of sewerage projects (the "Project") (the above-referenced initial resolution is referred to herein as the "Initial Resolution");

WHEREAS, pursuant to the provisions of Section 67.05, Wisconsin Statutes, within 15 days following the adoption of the Initial Resolution, the City Clerk caused a notice to electors to be published in the The Pierce County Journal, stating the purpose and maximum principal amount of the bond issue authorized by the Initial Resolution and describing the opportunity and procedure for submitting a petition requesting a referendum on the bond issue authorized by the Initial Resolution;

WHEREAS, no petition for referendum was filed with the City Clerk, and the time to file such a petition has expired;

WHEREAS, the Common Council hereby finds and determines that the Project is within the City's power to undertake and therefore serves a "public purpose" as that term is defined in Section 67.04(1)(b), Wisconsin Statutes;

WHEREAS, the City is authorized by the provisions of Section 67.04, Wisconsin Statutes, to borrow money and issue general obligation bonds for such public purposes;

WHEREAS, on August 23, 2022, the Common Council of the City also adopted a resolution (the "Set Sale Resolution"), providing that the general obligation bond issue authorized by the Initial Resolution be issued and sold and designated as "General Obligation Sewerage Bonds" (the "Bonds") for the purpose of paying the cost of the Project;

WHEREAS, pursuant to the Set Sale Resolution, the City has directed Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell the Bonds to pay the cost of the Project;

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the Bonds and indicating that the Bonds would be offered for public sale on September 27, 2022;

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the Bonds for public sale on September 27, 2022;

WHEREAS, the City has duly received bids for the Bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City that:

Section 1. Ratification of the Notice of Sale and Offering Materials. The Common Council hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1A. Authorization and Award of the Bonds. For the purpose of paying the cost of the Project, there shall be borrowed pursuant to Section 67.04, Wisconsin Statutes, the principal sum of FIVE MILLION ONE HUNDRED FIFTY-FIVE THOUSAND DOLLARS (\$5,155,000) from the Purchaser in accordance with the terms and conditions of the Proposal. The Proposal of the Purchaser offering to purchase the Bonds for the sum set forth on the Proposal, plus accrued interest to the date of delivery, resulting in a true interest cost as set forth on the Proposal, is hereby accepted. The Mayor and City Clerk or other appropriate officers of the City are authorized and directed to execute an acceptance of the Proposal on behalf of the City. The good faith deposit of the Purchaser shall be applied in accordance with the Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The Bonds shall bear interest at the rates set forth on the Proposal.

Section 2. Terms of the Bonds. The Bonds shall be designated "General Obligation Sewerage Bonds, Series 2022C"; shall be issued in the aggregate principal amount of \$5,155,000; shall be dated October 18, 2022; shall be in the denomination of \$5,000 or any integral multiple thereof; shall be numbered R-1 and upward; and shall bear interest at the rates per annum and mature on October 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2023. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board. The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

Section 3. Redemption Provisions. The Bonds maturing on October 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the City, on October 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

The Proposal specifies that some of the Bonds are subject to mandatory redemption. The terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.

Section 4. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 5. Tax Provisions.

(A) Direct Annual Irrepealable Tax Levy. For the purpose of paying the principal of and interest on the Bonds as the same becomes due, the full faith, credit and resources of the City are hereby irrevocably pledged, and there is hereby levied upon all of the taxable property of the City a direct annual irrepealable tax in the years 2022 through 2041 for the payments due in the years 2023 through 2042 in the amounts set forth on the Schedule.

(B) Tax Collection. So long as any part of the principal of or interest on the Bonds remains unpaid, the City shall be and continue without power to repeal such levy or obstruct the collection of said tax until all such payments have been made or provided for. After the issuance of the Bonds, said tax shall be, from year to year, carried onto the tax roll of the City and collected in addition to all other taxes and in the same manner and at the same time as other taxes of the City for said years are collected, except that the amount of tax carried onto the tax roll may be reduced in any year by the amount of any surplus money in the Debt Service Fund Account created below.

(C) Additional Funds. If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said Bonds when due, the requisite amounts shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

Section 6. Segregated Debt Service Fund Account.

(A) Creation and Deposits. There shall be and there hereby is established in the treasury of the City, if one has not already been created, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Debt service or sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund.

Within the debt service fund, there hereby is established a separate and distinct account designated as the "Debt Service Fund Account for General Obligation Sewerage Bonds, Series 2022C" (the "Debt Service Fund Account") and such account shall be maintained until the indebtedness evidenced by the Bonds is fully paid or otherwise extinguished. There shall be deposited into the Debt Service Fund Account (i) all accrued interest received by the City at the time of delivery of and payment for the Bonds; (ii) any premium which may be received by the City above the par value of the Bonds and accrued interest thereon; (iii) all money raised by the taxes herein levied and any amounts appropriated for the specific purpose of meeting principal of and interest on the Bonds when due; (iv) such other sums as may be necessary at any time

to pay principal of and interest on the Bonds when due; (v) surplus monies in the Borrowed Money Fund as specified below; and (vi) such further deposits as may be required by Section 67.11, Wisconsin Statutes.

(B) Use and Investment. No money shall be withdrawn from the Debt Service Fund Account and appropriated for any purpose other than the payment of principal of and interest on the Bonds until all such principal and interest has been paid in full and the Bonds canceled; provided (i) the funds to provide for each payment of principal of and interest on the Bonds prior to the scheduled receipt of taxes from the next succeeding tax collection may be invested in direct obligations of the United States of America maturing in time to make such payments when they are due or in other investments permitted by law; and (ii) any funds over and above the amount of such principal and interest payments on the Bonds may be used to reduce the next succeeding tax levy, or may, at the option of the City, be invested by purchasing the Bonds as permitted by and subject to Section 67.11(2)(a), Wisconsin Statutes, or in permitted municipal investments under the pertinent provisions of the Wisconsin Statutes ("Permitted Investments"), which investments shall continue to be a part of the Debt Service Fund Account. Any investment of the Debt Service Fund Account shall at all times conform with the provisions of the Internal Revenue Code of 1986, as amended (the "Code") and any applicable Treasury Regulations (the "Regulations").

(C) Remaining Monies. When all of the Bonds have been paid in full and canceled, and all Permitted Investments disposed of, any money remaining in the Debt Service Fund Account shall be transferred and deposited in the general fund of the City, unless the Common Council directs otherwise.

Section 7. Proceeds of the Bonds; Segregated Borrowed Money Fund. The proceeds of the Bonds (the "Bond Proceeds") (other than any premium and accrued interest which must be paid at the time of the delivery of the Bonds into the Debt Service Fund Account created above) shall be deposited into a special fund (the "Borrowed Money Fund") separate and distinct from all other funds of the City and disbursed solely for the purpose or purposes for which borrowed. Monies in the Borrowed Money Fund may be temporarily invested in Permitted Investments. Any monies, including any income from Permitted Investments, remaining in the Borrowed Money Fund after the purpose or purposes for which the Bonds have been issued have been accomplished, and, at any time, any monies as are not needed and which obviously thereafter cannot be needed for such purpose(s) shall be deposited in the Debt Service Fund Account.

Section 8. No Arbitrage. All investments made pursuant to this Resolution shall be Permitted Investments, but no such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations and an officer of the City, charged with the responsibility for issuing the Bonds, shall certify as to facts, estimates, circumstances and reasonable expectations in existence on the date of delivery of the Bonds to the Purchaser which will permit the conclusion that the Bonds are not "arbitrage bonds," within the meaning of the Code or Regulations.

Section 9. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the ownership, management and use of the projects will not cause the Bonds to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants

that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

Section 10. Designation as Qualified Tax-Exempt Obligations. The Bonds are hereby designated as "qualified tax-exempt obligations" for purposes of Section 265 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.

Section 11. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent (defined below), sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 12. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by U.S. Bank National Association, St. Paul, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter into a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 13. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 14. Record Date. The 15th day of the calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 15. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 16. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 17. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or final Official Statement are hereby ratified and approved. In connection with the Closing, the appropriate City official shall certify the Preliminary Official Statement and any addenda or final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or final Official Statement to be distributed to the Purchaser.

Section 18. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") if required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

To the extent required under the Rule, the Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 19. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 20. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 21. Conflicting Resolutions; Severability; Effective Date. All prior resolutions, rules or other actions of the Common Council or any parts thereof in conflict with the provisions hereof shall be, and the same are, hereby rescinded insofar as the same may so conflict. In the event that any one or more provisions hereof shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any other provisions hereof. The foregoing shall take effect immediately upon adoption and approval in the manner provided by law.

Adopted, approved and recorded September 27, 2022.

Danial H. Toland
Mayor

ATTEST:

Amy White
City Clerk

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule and Irrepealable Tax Levies

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on October 1, ____, ____, and ____ (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from debt service fund deposits which are required to be made in amounts sufficient to redeem on October 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

For the Term Bonds Maturing on October 1, ____

<u>Redemption Date</u>	<u>Amount</u>
____	\$ ____
____	____
____	____ (maturity)

EXHIBIT E

(Form of Bond)

REGISTERED UNITED STATES OF AMERICA
STATE OF WISCONSIN DOLLARS
PIERCE AND ST. CROIX COUNTIES
NO. R-____ CITY OF RIVER FALLS \$_____
GENERAL OBLIGATION SEWERAGE BOND, SERIES 2022C

MATURITY DATE: ORIGINAL DATE OF ISSUE: INTEREST RATE: CUSIP:
October 1, _____ October 18, 2022 _____% _____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$_____)

FOR VALUE RECEIVED, the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest shall be payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2023 until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by U.S. Bank National Association, St. Paul, Minnesota (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding each interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

For the prompt payment of this Bond together with interest hereon as aforesaid and for the levy of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

This Bond is one of an issue of Bonds aggregating the principal amount of \$5,155,000, all of which are of like tenor, except as to denomination, interest rate, maturity date and redemption provision, issued by the City pursuant to the provisions of Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of sewerage projects, as authorized by resolutions adopted on August 23, 2022 and September 27, 2022. Said resolutions are recorded in the official minutes of the Common Council for said dates.

The Bonds maturing on October 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the City, on October 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the City, and

within each maturity by lot (as selected by the Depository), at the principal amount thereof, plus accrued interest to the date of redemption.

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

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

It is hereby certified and recited that all conditions, things and acts required by law to exist or to be done prior to and in connection with the issuance of this Bond have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this Bond and others issued simultaneously herewith, does not exceed any limitation imposed by law or the Constitution of the State of Wisconsin; and that a direct annual irrepealable tax has been levied sufficient to pay this Bond, together with the interest thereon, when and as payable.

This Bond has been designated by the Common Council as a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely

as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

No delay or omission on the part of the owner hereof to exercise any right hereunder shall impair such right or be considered as a waiver thereof or as a waiver of or acquiescence in any default hereunder.

IN WITNESS WHEREOF, the City of River Falls, Pierce and St. Croix Counties, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF RIVER FALLS
PIERCE AND ST. CROIX COUNTIES,
WISCONSIN

By: _____
Danial H. Toland
Mayor

(SEAL)

By: _____
Amy White
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 20, 2022

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

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

New Issue

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

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

\$5,155,000* GENERAL OBLIGATION SEWERAGE BONDS, SERIES 2022C

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

CONSIDERATION: September 27, 2022, 6:30 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$5,155,000* General Obligation Sewerage Bonds, Series 2022C (the "Bonds") of the City of River Falls, Wisconsin (the "City") are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of sewerage projects. The Bonds 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 Bonds 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 BONDS:

October 18, 2022

MATURITY:

October 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$200,000	2030	\$235,000	2037	\$305,000
2024	195,000	2031	245,000	2038	325,000
2025	205,000	2032	255,000	2039	335,000
2026	210,000	2033	265,000	2040	275,000
2027	215,000	2034	275,000	2041	285,000
2028	220,000	2035	285,000	2042	300,000
2029	230,000	2036	295,000		

***MATURITY ADJUSTMENTS:**

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

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

April 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION:

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

MINIMUM BID:

\$5,090,562.50.

MAXIMUM BID:

\$5,258,100.00.

GOOD FAITH DEPOSIT:

A good faith deposit in the amount of \$103,100 shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT:

U.S. Bank Trust Company, National Association.

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).

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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CITY OF RIVER FALLS COMMON COUNCIL

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

ADMINISTRATION

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

PROFESSIONAL SERVICES

Christopher Gierhart, Weld Riley S.C., City Attorney, Eau Claire, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of River Falls, Wisconsin (the "City") and the issuance of its \$5,155,000* General Obligation Sewerage Bonds, Series 2022C (the "Bonds"). Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the form of the Bonds to be included in the resolution awarding the sale of the Bonds ("Award Resolution") to be adopted by the Common Council on September 27, 2022.

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

THE BONDS

GENERAL

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

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

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

OPTIONAL REDEMPTION

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

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

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

AUTHORITY; PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of sewerage projects.

ESTIMATED SOURCES AND USES*

Sources		
Par Amount of Bonds	<u>\$5,155,000</u>	
Total Sources		\$5,155,000
Uses		
Estimated Underwriter's Discount	\$64,438	
Costs of Issuance	65,100	
Deposit to Project Construction Fund	5,022,101	
Rounding Amount	<u>3,361</u>	
Total Uses		\$5,155,000

*Preliminary, subject to change.

SECURITY

For the prompt payment of the Bonds 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 Bonds when it becomes due and also to pay and discharge the principal on the Bonds 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 Investors Service, Inc. ("Moody's").

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

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

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

CONTINUING DISCLOSURE

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

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

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

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

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not 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 Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

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

RISK FACTORS

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

Taxes: The Bonds 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 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 Bonds. 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 Bonds for resale prior to maturity.

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

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

2022 EQUALIZED VALUE BY CLASSIFICATION

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

TREND OF VALUATIONS

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

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

¹ 2022 assessed values are not yet available.

² Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value¹	Percent of City's Total Equalized Value
Winfield Solutions	Ag Retailer	\$12,339,166	0.94%
The Depot at River Street LLC	Apartment	7,482,141	0.57%
Anchor Paper Company	Paper	6,642,545	0.50%
TW Equities	Office/ Warehouse	6,088,469	0.46%
River Falls RCAC LLC	Senior Care	5,954,044	0.45%
Erickson's Diversified Corp	Retail Mall/ Grocery Store	5,168,872	0.39%
WISOTA LLC	Apartment	4,816,892	0.37%
IGO Legacy Hotel Group	Hotel/ Restaurant	4,776,734	0.36%
WISOTA LLC	Apartment	4,457,257	0.34%
City Station LLC	Apartment	3,591,471	0.27%
Total		\$61,317,591	4.66%

City's Total 2021 Equalized Value² \$1,315,911,000

Source: The City.

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

² Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

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

Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues	<u><u>\$2,010,834</u></u>
Total revenue debt secured by sewer revenues	<u><u>\$4,166,585</u></u>
Total revenue debt secured by water revenues (includes the 2022D Bonds, as defined herein)*	<u><u>\$5,995,000</u></u>

*Preliminary, subject to change.

¹ Outstanding debt is as of the dated date of the Bonds and excludes the obligations to be refunded by the 2022D Bonds.

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

Dated Amount Maturity	Taxable Refunding Bonds Series 2012A		Refunding Bonds Series 2012B		Corporate Purpose Bonds Series 2014A		State Trust Fund Loan		State Trust Fund Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
03/22/2012	\$4,560,000	0	09/20/2012	\$3,765,000	08/12/2014	\$5,425,000	07/01/2015	\$1,600,000	10/07/2015	\$269,800
03/01			05/01		12/01		03/15		03/15	
					Final Maturity 06/01					
Calendar Year Ending										
2022	0	0	0	3,400	410,000	62,369	0	0	0	0
2023	135,000	25,974	340,000	3,400	225,000	108,338	75,872	42,133	32,291	3,252
2024	140,000	21,950			230,000	99,338	78,609	39,395	33,335	2,208
2025	145,000	17,603			240,000	92,438	81,665	36,340	34,424	1,119
2026	150,000	12,955			245,000	85,238	84,727	33,277		
2027	155,000	7,998			255,000	77,888	87,904	30,100		
2028	160,000	2,720			260,000	70,238	91,127	26,877		
2029					270,000	62,438	94,618	23,386		
2030					275,000	54,338	98,166	19,838		
2031					290,000	45,400	101,848	16,157		
2032					300,000	35,250	105,633	12,371		
2033					310,000	24,000	109,628	8,376		
2034					330,000	6,188	113,739	4,265		
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	885,000	89,199	340,000	6,800	3,640,000	823,456	1,123,537	292,515	100,050	6,579

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City of River Falls, Wisconsin

Promissory Note

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(As of 10/18/2022)

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* Preliminary, subject to change.

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

Electric System Revenue Bonds Series 2018B				WPPI Loan						
Dated Amount	07/02/2018 \$2,500,000	08/12/2020 \$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
2022	0	0	12,500	0	12,500	0	12,500	1,998,334	.62%	2022
2023	245,000	48,550	50,000	0	295,000	48,550	343,550	1,703,334	15.29%	2023
2024	255,000	38,550	50,000	0	305,000	38,550	343,550	1,398,334	30.46%	2024
2025	265,000	29,475	50,000	0	315,000	29,475	344,475	1,083,334	46.13%	2025
2026	275,000	21,375	50,000	0	325,000	21,375	346,375	758,333	62.29%	2026
2027	285,000	12,975	50,000	0	335,000	12,975	347,975	423,333	78.95%	2027
2028	290,000	4,350	50,000	0	340,000	4,350	344,350	83,333	95.86%	2028
2029			50,000	0	50,000	0	50,000	33,333	98.34%	2029
2030			33,333	0	33,333	0	33,333	0	100.00%	2030
	1,615,000	155,275	395,834	0	2,010,834	155,275	2,166,109			

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

Sewerage System Revenue Bonds (CWFL) Series 2005				Sewerage System Revenue Bonds Series 2016A						
Dated	11/23/2005	04/13/2016								
Amount	\$3,342,130	\$4,510,000								
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
2022	0	8,603	0	47,525	0	56,128	56,128	4,166,585	.00%	2022
2023	203,230	14,416	215,000	92,900	418,230	107,316	525,546	3,748,355	10.04%	2023
2024	208,811	8,758	220,000	88,550	428,811	97,308	526,119	3,319,544	20.33%	2024
2025	214,544	2,946	225,000	84,100	439,544	87,046	526,590	2,880,000	30.88%	2025
2026			225,000	79,600	225,000	79,600	304,600	2,655,000	36.28%	2026
2027			230,000	75,050	230,000	75,050	305,050	2,425,000	41.80%	2027
2028			240,000	69,150	240,000	69,150	309,150	2,185,000	47.56%	2028
2029			245,000	61,875	245,000	61,875	306,875	1,940,000	53.44%	2029
2030			255,000	54,375	255,000	54,375	309,375	1,685,000	59.56%	2030
2031			260,000	46,650	260,000	46,650	306,650	1,425,000	65.80%	2031
2032			270,000	38,700	270,000	38,700	308,700	1,155,000	72.28%	2032
2033			275,000	30,525	275,000	30,525	305,525	880,000	78.88%	2033
2034			285,000	22,125	285,000	22,125	307,125	595,000	85.72%	2034
2035			295,000	13,425	295,000	13,425	308,425	300,000	92.80%	2035
2036			300,000	4,500	300,000	4,500	304,500	0	100.00%	2036
	626,585	34,723	3,540,000	809,050	4,166,585	843,773	5,010,358			

Water System Revenue Bonds
Series 2022D

* Preliminary, subject to change.

DEBT LIMIT

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

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

*Preliminary, subject to change.

OVERLAPPING DEBT²

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

¹ 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.

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

³ Includes tax increment valuation.

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

⁵ 2021 equalized values. 2022 equalized values are expected to be certified in October 2022.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,494,615,400	Debt/ Per Capita 16,515¹
Total General Obligation Debt*	\$24,568,887	1.64%	\$1,487.67
City's Share of Total Overlapping Debt	<u>38,480,653</u>	<u>2.57%</u>	<u>\$2,330.04</u>
Total*	\$63,049,540	4.22%	\$3,817.71

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

Concurrently with the Bonds, the City expects to issue a \$750,000* Taxable General Obligation Promissory Note, Series 2022A (the “2022A Note”), a \$749,000* Taxable General Obligation Promissory Note, Series 2022B (the “2022B Note”), and \$5,995,000* Water System Revenue Bonds, Series 2022D (the “2022D Bonds”). The City may issue general obligation debt and utility revenue debt in 2023 for capital projects, but the City has not yet determined whether to proceed and the amount and timing of any such borrowing is not yet known. Aside from the preceding, the City has no current plans for additional financing in the next 12 months.

*Preliminary, subject to change.

¹ Preliminary estimated 2022 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Pierce County

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

St. Croix County

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

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

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may

then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

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

Pierce County

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

St. Croix County

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

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

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

LEVY LIMITS

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

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The use of the carry forward levy adjustment needs to be approved by a majority vote of the political subdivision's governing body (except in the case of towns) if the amount of carry forward levy adjustment is less than or equal to 0.5% and by a super majority vote of the political subdivision's governing body (three-quarters vote if the governing body is comprised of five or more members, two-thirds vote if the governing body is comprised of fewer than five members) (except in the case of towns) if the amount of the carry forward levy adjustment is greater than 0.5% up to the maximum increase of 1.5%. For towns, the use of the carry forward levy adjustment needs to be approved by a majority vote of the annual town meeting or special town meeting after the town board has adopted a resolution in favor of the adjustment by a majority vote if the amount of carry forward levy adjustment is less than or equal to 0.5% or by two-thirds vote or more if the amount of carry forward levy adjustment is greater than 0.5% up to the maximum of 1.5%.

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

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

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

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

THE ISSUER

CITY GOVERNMENT

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

EMPLOYEES; PENSIONS

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

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

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

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

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

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

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

Recognized and Certified Bargaining Units

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

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

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

The following bargaining unit represents employees of the City:

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

OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

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

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

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of June 30, 2022)

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

ENTERPRISE FUNDS

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

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

SUMMARY GENERAL FUND INFORMATION

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

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

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

GENERAL INFORMATION

LOCATION

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

LARGER EMPLOYERS¹

Larger employers in the City include the following:

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

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

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. Some employers do not respond to inquiries for employment data.

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

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

BUILDING PERMITS

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

Source: The City.

¹ As of July 31, 2022.

U.S. CENSUS DATA

Population Trend: The City

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

Income and Age Statistics

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

	State of Wisconsin	United States
City % of 2020 per capita income	83.97%	81.75%
City % of 2020 median family income	117.13%	118.26%

Housing Statistics

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

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

EMPLOYMENT/UNEMPLOYMENT DATA

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

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

Source: Wisconsin Department of Workforce Development.

¹ Preliminary.

FINANCIAL STATEMENTS

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

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

City of River Falls

Financial Statements and
Supplementary Information

December 31, 2021

City of River Falls

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City of River Falls

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Independent Auditors' Report

To the City Council of
City of River Falls

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of River Falls, Wisconsin (the City), as of and for the year ended December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of River Falls as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

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Supplementary Information

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information for the year ended December 31, 2021 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of River Falls as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated July 19, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information. The supplementary information for the year ended December 31, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Baker Tilly US, LLP

Eau Claire, Wisconsin
July 20, 2022

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

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

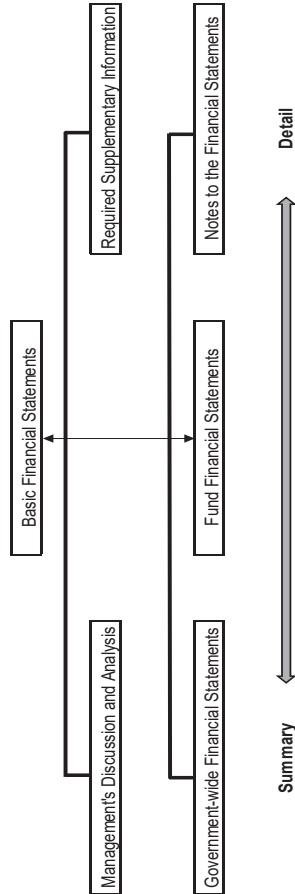
FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure A-1
Components of the Financial Section



The basic financial statements include two kinds of statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is similar to that used for proprietary funds. The City of River Falls uses fiduciary funds to account for taxes collected for the benefit of overlapping tax jurisdictions.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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

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

Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens and is not available for future spending.

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

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

City of River Falls Summary of Net Position

	Governmental Activities		Business-type Activities		Total
	2021	2020	2021	2020	
Current and Other Assets	\$ 31,122,379	\$ 29,270,157	\$ 14,318,568	\$ 13,500,732	\$ 45,440,947
Capital Assets	66,238,300	66,189,039	64,363,235	64,820,329	130,601,535
Total Assets	97,360,679	95,459,196	78,681,803	78,321,061	176,042,482
Deferred Charge on refunding	218,263	248,368	29,541	53,704	247,804
Deferred Pension and OPEB	4,768,103	3,566,728	1,538,925	1,099,060	6,307,028
Deferred Outflows of Resources	4,986,366	3,815,096	1,568,466	1,152,764	6,554,832
Current Liabilities	5,129,105	7,626,883	2,861,075	2,585,548	7,990,180
Noncurrent Liabilities	20,676,576	20,547,853	7,978,063	9,121,786	28,654,639
Total Liabilities	25,805,681	28,174,736	10,839,138	11,707,334	36,644,819
Deferred Unearned revenues	8,835,737	8,630,328	-	-	8,835,737
Deferred Pension and OPEB	6,196,834	4,325,889	2,086,091	1,443,178	8,282,925
Deferred Inflows of Resources	15,032,571	12,956,217	2,086,091	1,443,178	17,118,662
Net Investment in Capital Assets ¹	48,798,825	47,065,279	56,177,716	55,534,030	103,970,566
Restricted	8,356,053	6,437,455	3,199,578	2,655,981	11,555,631
Unrestricted ¹	4,353,915	4,640,605	7,947,746	8,133,302	13,785,026
Total Net Position	\$ 61,508,792	\$ 58,143,339	\$ 67,325,040	\$ 66,323,313	\$ 128,735,713
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	11%	11%	61%	62%	27%

¹ See Note 1.D. 3 equity classifications for detailed information of 2021 & 2020 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
	2021	2020	2021	2020	
Revenues					
Program revenues:					
Charges for services	\$1,970,713	\$1,874,920	\$21,456,858	\$20,260,233	\$23,427,571
Operating grants and contributions	2,120,182	2,198,019		28,737	2,120,182
Capital grants and contributions	239,340	2,514,780	742,309	1,688,135	981,649
General revenues:					
Property taxes	8,602,918	8,249,537			8,602,918
Other taxes	235,189	166,055			235,189
Intergovernmental	2,382,232	2,752,737			2,382,232
Investment earnings	77,772	428,482	30,068	95,326	107,840
Special Item				86,498	86,498
Miscellaneous	460,137	487,077	43,441	45,312	503,578
Total revenues	16,088,483	18,671,607	22,272,676	22,204,241	38,361,159
Expenses					
General government	2,473,975	2,322,490			2,473,975
Public safety	3,812,876	3,993,801			3,812,876
Public works	3,878,945	3,710,674			3,878,945
Health services	19,886	17,844			19,886
Leisure	2,235,832	2,145,064			2,235,832
Conservation and development	1,321,400	1,256,341			1,321,400
Interest and fiscal charges	636,950	912,650			636,950
Electric utility		14,025,540		13,128,265	14,025,540
Water utility		1,493,204		1,397,023	1,493,204
Sewer utility		2,746,450		2,912,943	2,746,450
Stormwater utility		783,717		512,949	783,717
Ambulance service			565,203	1,534,432	565,203
Total expenses	14,379,864	14,388,864	19,614,114	19,480,612	33,993,978
Change in net position before transfers	1,708,619	4,312,743	2,658,562	2,723,629	4,367,181
Transfers	1,656,835	1,820,402	(1,656,835)	(1,820,402)	-
Increase in net position	3,365,454	6,133,045	1,001,727	903,327	4,367,181
Net position January 1	\$8,143,339	\$9,010,294	\$66,323,313	\$65,419,986	\$124,466,652
Net position December 31	\$ 61,508,793	\$ 8,143,339	\$ 67,325,040	\$ 66,323,313	\$ 128,833,833

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Governmental Activities:

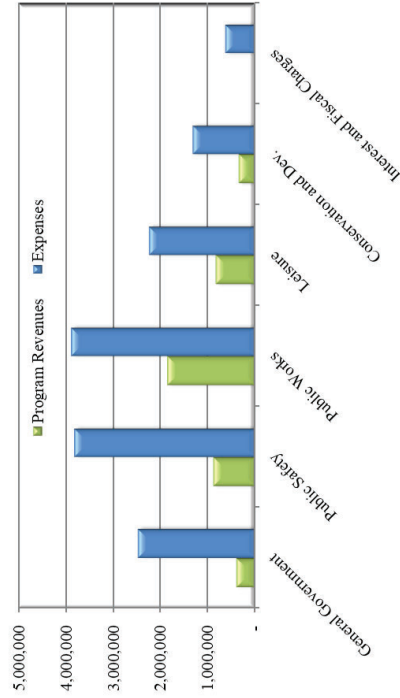
At the end of 2021, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of \$102.3 million and total liabilities and deferred inflows of resources of \$40.8 million, resulting in a net position of \$61.5 million. The net position is allocated with \$48.8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

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

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

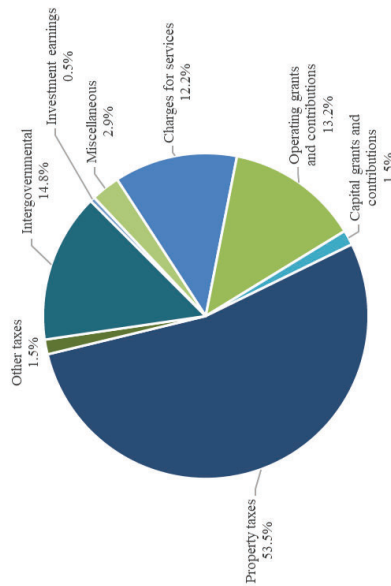
The accompanying graph exhibits the governmental activities expenses in comparison to program revenues exclusive of all grants and contributions as well as program and general revenues by source.

Governmental Activities Expenses and Program Revenues



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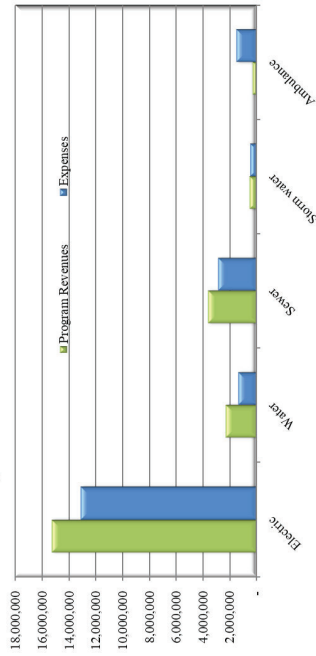
**Program and General Revenues
by Source - Governmental Activities**



Business-Type Activities:

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

**Business-Type Activities
Expenses and Revenues**



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

Electric

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

Water

- The utility closed the year with net position of \$17,315,119.
 - Of this amount, \$13.2 million is net investment in capital assets.
 - Unrestricted net position was \$3.8 million.
 - Restricted net position was \$0.2 million.

- Operating revenues for the year were \$1,979,414; an increase of \$129,869 compared to 2020.

Sewer

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

Nonmajor Enterprise Funds

Storm Water

- The Storm Water fund's net position decreased \$227 thousand from the prior year to \$7.0 million.
- Operating revenues were \$582 thousand; a decrease of \$8 thousand from 2020.
- Operating expenditures were \$771 thousand; an increase of \$268 thousand from 2020.

Ambulance

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

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

Long-Term Debt

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

The City issued no new debt in 2021.

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

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

ECONOMIC FACTORS AND THE 2020-2021 BUDGET AND RATES

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

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

REQUEST FOR INFORMATION

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

City of River Falls

Statement of Net Position
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Assets				
Cash and Investments	\$ 15,605,747	\$ 9,310,877	\$ 24,916,624	\$ 57,683
Receivables, net:				
Taxes	8,832,558	-	8,832,558	-
Accounts	534,282	2,200,196	2,734,478	-
Special assessments	53,733	-	53,733	42,000
Accrued interest	10,221	-	10,221	-
Loans	1,082,303	-	1,082,303	-
Other receivables	7,022	66,412	73,434	-
Inventories and prepaid items	73,388	700,143	773,531	-
Due from other governments	4,443	-	4,443	-
Internal balances	2,146,350	(2,146,350)	-	-
Other assets	-	195,790	195,790	-
Restricted assets:				
Cash and investments	-	3,027,707	3,027,707	-
Net pension asset	2,772,332	963,793	3,736,125	-
Capital assets:				
Land	16,332,978	365,000	16,697,978	-
Construction in progress	434,860	1,506,765	1,941,625	-
Other capital assets, net of depreciation	49,470,462	62,491,470	111,961,932	-
Total assets	97,360,679	78,681,803	176,042,482	99,683
Deferred Outflows of Resources				
Deferred charge on refunding	218,263	29,541	247,804	-
Pension related amounts	4,604,436	1,505,944	6,110,380	-
OPEB related amounts	163,667	32,981	196,648	-
Total deferred outflows of resources	4,986,366	1,568,466	6,554,832	-
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	454,695	1,446,040	1,900,735	-
Accrued liabilities	142,232	51,878	194,110	-
Accrued interest	170,075	46,826	216,901	-
Deposits	107,698	78,328	186,026	-
Unearned revenues	4,254,405	-	4,254,405	-
Noncurrent liabilities:				
Due within one year	2,046,259	1,238,003	3,284,262	-
Due in more than one year	18,630,317	7,978,063	26,608,380	-
Total liabilities	25,805,681	10,839,138	36,644,819	-
Deferred Inflows of Resources				
Unearned revenues	8,835,737	-	8,835,737	-
Pension related amounts	6,121,130	2,070,836	8,191,966	-
OPEB related amounts	75,704	15,255	90,959	-
Total deferred inflows of resources	15,032,571	2,086,091	17,118,662	-

See notes to financial statements

City of River Falls

Statement of Net Position
December 31, 2021

	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	Improvement District
Net Position			
Net investment in capital assets	\$ 48,798,825	\$ 56,177,716	\$ 103,495,176
Restricted for:			
Debt service	-	804,109	804,109
Capital asset repair and replacement	-	996,091	996,091
Impact fee projects	562,348	435,585	997,933
Library trust	155,149	-	155,149
Housing	885,794	-	885,794
Parking improvements	64,068	-	64,068
Refuse/solid waste	39,765	-	39,765
Environmental fee	3,262,824	-	3,262,824
Library	251,651	-	251,651
Shared ride taxi	12,449	-	12,449
Tax increment districts	257,522	-	257,522
Pension	2,772,332	963,793	3,736,125
Loan programs	92,151	-	92,151
Unrestricted	4,353,915	7,947,746	13,783,026
Total net position	\$ 61,508,793	\$ 67,325,040	\$ 128,833,833

See notes to financial statements
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City of River Falls Statement of Activities Year Ended December 31, 2021

Functions/Programs	Net (Expense) Revenues and Changes in Net Position				Component Unit
	Primary Government		Business-Type Activities	Total	
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business Improvement District
Primary Government					
Governmental activities:					
General government	\$ 2,473,975	\$ 408,135	\$ -	\$ (2,067,840)	\$ -
Police	3,812,876	749,251	-	(2,927,299)	-
Public works	3,978,946	983,381	3,090	(2,027,020)	-
Public safety	2,255,023	323,333	-	(1,407,022)	-
Leisure activities	1,327,400	-	-	(983,612)	-
Conservation and development	638,950	-	-	(638,950)	-
Interest and fiscal charges	-	-	-	-	-
Total governmental activities	14,379,864	1,920,713	239,340	(10,048,629)	-
Business-Type activities:					
Electric utility	14,025,540	15,172,454	129,128	1,276,042	-
Water utility	1,493,304	1,979,414	351,845	836,065	-
Stormwater	2,748,457	2,748,457	281,336	906,253	-
Sanitation	783,717	582,301	-	(201,416)	-
Ambulance	555,003	337,322	-	(217,681)	-
Total business-type activities	19,614,114	21,458,858	742,309	2,586,053	-
Total primary government	\$ 33,993,978	\$ 23,427,571	\$ 881,649	\$ 2,586,053	\$ (7,462,576)
Component Unit - Improvement district	\$ 30,306	\$ 42,600	\$ -	\$ -	\$ 11,604
General Revenues					
Taxes					
Property taxes, levied for general purposes				6,867,305	-
Property taxes, levied for debt service				330,430	-
Property taxes, levied for TIF districts				1,615,183	-
Intergovernmental revenues not restricted to specific programs				2,382,189	-
Investment income				77,772	-
Miscellaneous				460,337	-
Total general revenues				11,759,246	-
Transfers				(1,658,835)	-
Change in net position				1,001,727	11,604
Net Position, Beginning				68,323,133	88,079
Net Position, Ending				\$ 67,325,040	\$ 99,683

See notes to financial statements
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City of River Falls

Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Tax Increment District #10	General Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 5,834,425	\$ 137,753	\$ 2,064,719	\$ 7,246,872	\$ 15,283,769
Receivables:					
Taxes	4,834,396	681,756	238,998	3,077,408	8,832,558
Accounts	260,056	-	31,485	248,029	539,550
Special assessments	48,099	-	7,634	-	55,733
Accrued interest	6,637	-	-	3,584	10,221
Loans	-	369,000	131,325	581,978	1,082,303
Prepaid items	56,126	-	-	4,910	61,036
Due from other funds	609,783	-	-	-	609,783
Due from other governments	4,306	-	-	137	4,443
Advances to other funds	6,538,531	-	500,000	1,500,000	8,538,531
Total assets	\$ 18,190,359	\$ 1,188,509	\$ 2,974,141	\$ 12,662,918	\$ 35,015,927
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 229,711	\$ -	\$ 141,180	\$ 70,125	\$ 441,016
Accrued liabilities	124,471	-	-	9,942	134,413
Deposits	83,930	-	19,078	4,690	107,698
Unearned revenues	-	-	3,413,144	841,261	4,254,405
Due to other funds	-	-	-	585,591	585,591
Advances from other funds	-	3,422,711	-	5,115,820	8,538,531
Total liabilities	438,112	3,422,711	3,573,402	6,627,429	14,061,654
Deferred Inflows of Resources					
Unearned revenues	4,829,941	681,756	246,632	3,077,408	8,835,737
Unavailable revenues	187,869	369,000	135,575	584,365	1,276,809
Total deferred inflows of resources	5,017,810	1,050,756	382,207	3,661,773	10,112,546
Fund Balances (Deficit)					
Nonspendable	6,594,657	-	500,000	4,910	7,099,567
Restricted	-	-	-	5,077,017	5,077,017
Committed	-	-	-	1,030,005	1,030,005
Unassigned (deficit)	6,139,780	(3,284,958)	(1,481,468)	(3,738,216)	(2,364,862)
Total fund balances (deficit)	12,734,437	(3,284,958)	(981,468)	2,373,716	10,841,727
Total liabilities, deferred inflows of resources and fund balances	\$ 18,190,359	\$ 1,188,509	\$ 2,974,141	\$ 12,662,918	\$ 35,015,927

See notes to financial statements
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City of River Falls

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

Total Fund Balances, Governmental Funds	\$ 10,841,727
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 3.	66,238,300
Less internal service fund included below	(105,670)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,276,809
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,772,332
Less internal service fund included below	(129,187)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,604,436
Deferred outflows, pension related amounts	163,667
Deferred outflows, OPEB related amounts	(210,285)
Less internal service fund included below	
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(6,121,130)
Deferred inflows, pension related amounts	(75,704)
Deferred inflows, OPEB related amounts	305,710
Add internal service fund included below	
Governmental funds report the effect of losses on refunding, discounts, premiums and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities.	(575,894)
Internal service funds are reported in the statement of net position as governmental activities.	2,576,176
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(18,827,982)
Compensated absences	(235,042)
Accrued interest	(170,075)
Landfill postclosure care cost	(107,331)
Other postemployment benefits	(712,064)
Net Position of Governmental Activities	\$ 61,508,793

See notes to financial statements
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City of River Falls

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

	General Fund	Tax Incremental District #10	General Capital Projects	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 4,839,321	\$ 448,464	\$ 117,388	\$ 3,432,934	\$ 8,838,107
Special assessments	120	-	4,279	2,500	6,899
Intergovernmental	3,729,140	-	-	640,082	4,369,222
Licenses and permits	387,431	-	-	-	387,431
Fines, forfeitures and penalties	153,917	-	-	-	153,917
Public charges for services	343,207	-	-	1,178,595	1,521,802
Intergovernmental charges for services	14,263	-	-	-	14,263
Investment income	65,221	135	1,775	9,735	76,866
Miscellaneous	84,205	86,073	72,222	437,186	679,686
Total revenues	9,616,825	534,672	195,684	5,701,032	16,048,193
Expenditures					
Current:					
General government	1,942,827	-	-	-	1,942,827
Public safety	3,975,679	-	-	1,426	3,977,105
Public works	2,020,599	-	-	1,143,740	3,164,339
Health services	-	-	-	-	1,902
Leisure activities	912,881	-	-	980,864	1,893,745
Conservation and development	1,013,996	5,242	-	634,473	1,653,711
Capital outlay	-	66,633	703,951	710,003	1,480,587
Debt service:					
Principal retirement	251,291	240,000	30,290	1,349,798	1,871,379
Interest and fiscal charges	44,981	124,492	5,253	532,862	707,588
Total expenditures	10,164,156	436,367	739,494	5,353,166	16,693,183
Excess (deficiency) of revenues over expenditures	(547,331)	98,305	(543,830)	347,866	(644,990)
Other Financing Sources (Uses)					
Transfers from other funds	1,863,109	-	-	281,017	2,144,126
Transfers to other funds	(721,196)	(29,123)	(51,388)	(601,579)	(1,403,286)
Property sales	16,425	-	-	-	16,425
Total other financing sources (uses)	1,158,338	(29,123)	(51,388)	(320,562)	757,265
Net change in fund balances	611,007	69,182	(595,218)	27,304	112,275
Fund Balances (Deficit), Beginning	12,123,430	(3,354,140)	(386,250)	2,346,412	10,729,452
Fund Balances (Deficit), Ending	\$ 12,734,437	\$ (3,284,958)	\$ (981,468)	\$ 2,373,716	\$ 10,841,727

See notes to financial statements
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City of River Falls

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

Net Change in Fund Balances, Total Governmental Funds	\$
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements	1,480,587
Some items reported as capital outlay were not capitalized	(74,231)
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide statements	18,075
Depreciation is reported in the government-wide financial statements	(1,558,680)
Contributed capital assets are reported as revenues in the government-wide financial statements.	236,250
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	86,910
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,871,379
Principal repaid	
Interest on long-term debt in the statement of activities differs from the amount reported in the fund financial statements because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues regardless of when it is due.	40,015
Governmental funds report debt premiums, discounts and gains or losses on refunding in the year incurred. However, in the statement of net position, these are reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities. In 2021, \$30,105 of the deferred charge on refunding was amortized and \$60,728 of the premium was amortized.	30,623
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(2,277)
Other postemployment benefits and OPEB related deferrals	(16,598)
Landfill postclosure care costs	7,476
Net pension asset and pension related deferrals	707,225
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	426,425
Change in Net Position of Governmental Activities	<u>\$ 3,365,454</u>

See notes to financial statements
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Statement of Net Position
Proprietary Funds
December 31, 2021

See notes to financial statements

Statement of Net Position
Proprietary Funds
December 31, 2021

See notes to financial statements

City of River Falls

Statement of Net Position
Proprietary Funds
December 31, 2021

Business-Type Activities - Enterprise Funds

	Electric Utility	Water Utility	Sewer Utility
Liabilities			
Current liabilities:			
Accounts payable	\$ 997,049	\$ 22,130	\$ 425,330
Customer deposits	28,111	217	-
Accrued liabilities	32,657	8,579	8,829
Accrued interest	-	-	2,217
Due to other funds	-	-	-
Current portion of general obligation debt	-	-	325,000
Current portion of other loans payable	50,000	-	-
Current portion of compensated absences	59,799	21,414	28,992
Liabilities payable from restricted assets:			
Current portion of revenue bonds	240,000	105,000	407,798
Accrued interest	15,762	8,532	20,315
Total current liabilities	1,423,378	165,872	1,218,481
Noncurrent liabilities:			
Long-term debt:			
General obligation debt	-	-	340,000
Revenue bonds	1,615,000	1,175,000	4,166,585
Other loans payable	383,333	-	-
Unamortized debt premium	54,590	1,664	98,403
Other postemployment benefits	114,846	8,988	19,644
Total noncurrent liabilities	2,167,769	1,185,662	4,824,632
Total liabilities	3,591,147	1,351,534	5,843,113
Deferred Inflows of Resources			
Pension related amounts	1,119,932	392,296	446,969
OPEB related amounts	12,210	957	2,088
Total deferred inflows of resources	1,132,142	393,253	449,057
Net Position			
Net investment in capital assets	17,097,448	13,207,589	19,466,515
Restricted for:			
Debt service	193,958	82,944	527,207
Replacement	-	-	996,091
Impact fee projects	-	-	435,585
Pension	516,321	177,560	210,743
Unrestricted	3,801,454	3,847,026	1,260,708
Total net position	\$ 21,609,181	\$ 17,315,119	\$ 22,896,849

Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.

Net position business-type activities

See notes to financial statements
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Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds	
Nonmajor Enterprise Funds	Total		
\$ 1,531	\$ 1,446,040	\$ 13,679	
50,000	78,328	-	
1,813	51,878	7,819	
-	2,217	-	
-	-	24,192	
-	325,000	-	
-	50,000	-	
-	110,205	-	
-	752,798	-	
-	44,609	-	
53,344	2,861,075	45,690	
-	-	-	
-	340,000	-	
-	6,956,585	-	
-	383,333	-	
-	154,657	-	
-	143,488	-	
-	7,978,063	-	
53,344	10,839,138	45,690	
111,639	2,070,836	305,710	
-	15,255	-	
111,639	2,086,091	305,710	
6,406,164	56,177,716	105,670	
-	804,109	-	
-	996,091	-	
-	435,585	-	
59,169	963,793	129,187	
1,184,908	10,094,096	194,969	
\$ 7,650,241	69,471,390	\$ 429,826	
	(2,146,350)		
	\$ 67,325,040		

See notes to financial statements
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City of River Falls

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
Operating Revenues			
Public charges for services	\$ 15,172,454	\$ 1,979,414	\$ 3,385,367
Total operating revenues	15,172,454	1,979,414	3,385,367
Operating Expenses			
Operation and maintenance	12,600,463	913,815	1,681,709
Depreciation	1,146,752	476,517	850,036
Total operating expenses	13,747,215	1,390,332	2,531,745
Operating income (loss)	1,425,239	589,082	853,622
Nonoperating Revenues (Expenses)			
Investment income	14,458	7,158	6,502
Interest and fiscal charges	(65,849)	(52,740)	(141,366)
Amortization of debt premium and loss on refunding	8,540	178	(5,884)
Miscellaneous	29,389	-	-
Total nonoperating revenues (expenses)	(13,462)	(45,404)	(140,748)
Income before contributions and transfers	1,411,777	543,678	712,874
Contributions and Transfers			
Capital contributions	129,128	351,845	261,336
Transfers from other funds	-	-	-
Transfers to other funds	(956,877)	(434,986)	(212,092)
Total contributions and transfers	(827,749)	(83,141)	49,244
Change in net position	584,028	460,537	762,118
Net Position, Beginning	21,025,153	16,854,582	22,134,731
Net Position, Ending	\$ 21,609,181	\$ 17,315,119	\$ 22,896,849
Change in net position of enterprise funds			
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			
Change in net position of business-type activities			

See notes to financial statements
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	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 919,623	\$ 21,456,858	\$ 302,001	
919,623	21,456,858	302,001	
1,125,115	16,321,102	1,094,752	
205,254	2,678,559	52,740	
1,330,369	18,999,661	1,147,492	
(410,746)	2,457,197	(845,491)	
1,950	30,068	586	
(2,117)	(262,072)	-	
-	2,834	-	
14,052	43,441	120	
13,885	(185,729)	706	
(396,861)	2,271,468	(844,785)	
-	742,309	-	
-	-	1,232,993	
(52,880)	(1,656,835)	(316,998)	
(52,880)	(914,526)	915,995	
(449,741)	1,356,942	71,210	
8,099,982	68,114,448	358,616	
\$ 7,650,241	\$ 69,471,390	\$ 429,826	
	1,356,942		
	(355,215)		
	\$ 1,001,727		

See notes to financial statements
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City of River Falls

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
Cash Flows From Operating Activities			
Received from customers	\$ 15,088,756	\$ 2,043,489	\$ 3,359,747
Received from municipality for services	227,037	-	-
Paid to suppliers for goods and services	(11,755,148)	(536,827)	(1,196,560)
Paid to employees for services	(984,665)	(446,554)	(566,258)
Net cash flows from operating activities	2,575,980	1,060,108	1,596,929
Cash Flows From Investing Activities			
Investment income	14,458	7,158	6,502
Net cash flows from investing activities	14,458	7,158	6,502
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	(461,693)	(286,576)	-
Debt retired	(2,973)	-	-
Transfers to/from other funds	(495,184)	(148,410)	(212,092)
Net cash flows from noncapital financing activities	(959,850)	(434,986)	(212,092)
Cash Flows From Capital and Related Financing Activities			
Debt retired	(280,000)	(105,000)	(712,512)
Interest paid	(67,819)	(53,265)	(143,980)
Acquisition and construction of capital assets	(1,196,595)	(192,158)	(624,561)
Proceeds from sale/transfer of capital assets	-	-	-
Capital contributions received	129,128	35,127	40,812
Impact fees received	-	351,845	247,172
Net cash flows from capital and related financing activities	(1,415,286)	36,549	(1,193,069)
Net change in cash and cash equivalents	215,302	668,829	198,270
Cash and Cash Equivalents, Beginning	<u>3,540,633</u>	<u>3,256,370</u>	<u>3,592,785</u>
Cash and Cash Equivalents, Ending	<u>\$ 3,755,935</u>	<u>\$ 3,925,199</u>	<u>\$ 3,791,055</u>

See notes to financial statements
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	<u>Business-Type Activities - Enterprise Funds</u>		<u>Governmental Activities - Internal Service Funds</u>
	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	
\$ 1,256,782	\$ 21,748,774	\$ 301,545	
-	227,037	-	
(1,088,826)	(14,577,361)	(734,829)	
(149,577)	(2,147,054)	(378,050)	
18,379	5,251,396	(811,334)	
1,950	30,068	586	
1,950	30,068	586	
-	(748,269)	-	
-	(2,973)	-	
(52,880)	(908,566)	915,995	
(52,880)	(1,659,808)	915,995	
-	(1,097,512)	-	
(2,117)	(267,181)	-	
-	(2,013,314)	-	
6,718	6,718	-	
-	205,067	-	
-	599,017	-	
4,601	(2,567,205)	-	
(27,950)	1,054,451	105,247	
894,345	11,284,133	216,731	
\$ 866,395	\$ 12,338,584	\$ 321,978	

See notes to financial statements
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City of River Falls

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

	Business-Type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
Reconciliation of Operating Income (Loss) to Net Cash			
Flows From Operating Activities			
Operating income (loss)	\$ 1,425,239	\$ 589,082	\$ 853,622
Nonoperating revenue	29,389	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	1,146,752	476,517	850,036
Depreciation charged to other funds	-	52,081	(62,081)
Changes in assets and liabilities:			
Accounts receivable	(33,739)	11,274	22,880
Other receivables	151,987	720	3,581
Inventories	(114,129)	-	-
Prepaid items	59	(506)	182
Due from other funds	-	-	-
Accounts payable	103,210	(11,348)	(26,217)
Accrued liabilities	(19,833)	2,246	866
Due to other funds	-	-	-
Customer deposits	(4,298)	-	-
Compensated absences	16,867	(208)	9,150
Other postemployment benefits and related deferrals	23,759	(1,283)	(2,002)
Pension related deferrals and asset/liability	(149,283)	(58,467)	(63,088)
Net cash flows from operating activities	<u>\$ 2,575,980</u>	<u>\$ 1,060,108</u>	<u>\$ 1,596,929</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments	\$ 3,286,405	\$ 3,659,486	\$ 1,488,591
Restricted cash and investments	469,530	265,713	2,292,464
Cash and cash equivalents	<u>\$ 3,755,935</u>	<u>\$ 3,925,199</u>	<u>\$ 3,791,055</u>
Noncash Capital and Related Financing Activities			
None			

See notes to financial statements
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	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Nonmajor Enterprise Funds	Total	
\$ (410,746)	\$ 2,457,197	\$ (845,491)	
14,052	43,441	120	
205,254	2,678,559	52,740	
338,107	338,522	-	
-	156,288	(576)	
-	(114,129)	-	
(226)	(491)	4,096	
-	-	4,500	
(16,790)	48,855	5,679	
(191)	(16,912)	2,310	
(77,303)	(77,303)	-	
(15,000)	(19,298)	-	
-	25,809	-	
-	20,474	-	
(18,778)	(289,616)	(34,712)	
\$ 18,379	\$ 5,251,396	\$ (811,334)	
\$ 866,395	\$ 9,310,877	\$ 321,978	
-	3,027,707	-	
\$ 866,395	\$ 12,338,584	\$ 321,978	

See notes to financial statements
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City of River Falls

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

Assets	
Cash and investments	
Taxes receivable	
Total assets	
Liabilities	
Due to other taxing units	
Total liabilities	
Net Position	
Total net position	

Custodial Fund
Tax Collection Fund
\$ 3,683,345
12,262,165
15,925,510
15,925,510
15,925,510
\$ -

City of River Falls

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

Additions	
Property taxes collected for other governments	
Total additions	
Deductions	
Property taxes distributed to other governments	
Total deductions	
Change in fiduciary net position	
Net Position, Beginning	
Net Position, Ending	

Custodial Fund
Tax Collection Fund
\$ 11,030,048
11,030,048
11,030,048
11,030,048
11,030,048
-
-
\$ -

See notes to financial statements
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See notes to financial statements
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City of River Falls

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December 31, 2021

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City of River Falls

Notes to Financial Statements
December 31, 2021

1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Unit

Business Improvement District

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary 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:

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

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

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

The City reports the following major governmental funds:

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

Enterprise Funds

The City reports the following major enterprise funds:

Electric Utility accounts for operations of the Electric system.

Water Utility accounts for operations of the Water system.

Sewer Utility accounts for operations of the Sewer system.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

Parking Improvements	Tax Increment District #16
Refuse and Solid Waste	Tax Increment District #17
Shared Ride Taxi	Tax Increment District #18
Environmental Fee	Library
Park Acquisition Fund	Commercial Revolving Loan Fund
Tax Increment District #5	Park Impact Fees
Tax Increment District #6	Library Impact Fees
Tax Increment District #8	Fire Impact Fees
Tax Increment District #9	Housing Reserve
Tax Increment District #11	Library Trust Fund
Tax Increment District #12	Tourism and Economic Development
Tax Increment District #13	American Rescue Plan Act
Tax Increment District #14	
Tax Increment District #15	

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City of River Falls

Notes to Financial Statements
December 31, 2021

Debt Service Funds

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

Notes
Bonds

Capital Projects Funds

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

Capital Equipment

Enterprise Funds

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

Stormwater
Ambulance

In addition, the City reports the following fund types:

Internal Service Funds

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

City Hall
Motor Pool
Technology
Maintenance

Custodial Funds

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

Tax Collection Fund

City of River Falls

Notes to Financial Statements
December 31, 2021

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

Proprietary and Fiduciary Funds

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

City of River Falls

Notes to Financial Statements
December 31, 2021

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

All Financial Statements

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

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

Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 887 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.

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City of River Falls

Notes to Financial Statements
December 31, 2021

Custodial Credit Risk

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

Credit Risk

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

Concentration of Credit Risk

The City will diversify investments according to the following limits:

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

Interest Rate Risk

Maturities of individual securities must be in compliance with Section 66.0603(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.

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 statement balance and carrying value is due to outstanding checks and/or deposits in transit.

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City of River Falls

Notes to Financial Statements
December 31, 2021

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

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

Property tax calendar - 2021 tax roll:

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

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

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

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

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 general capital assets and \$100,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

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

Fund Financial Statements

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

Deferred Outflows of Resources

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

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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

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

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

Deferred Inflows of Resources

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Equity Classifications

Government-Wide Statements

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

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

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

City of River Falls

Notes to Financial Statements
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d. **Assigned** - Includes spendable fund balance amounts that are intended to be used for specific purposes that do not meet the criteria to be classified as restricted or committed. The Council may take official action to assign amounts. Assignments may take place after the end of the reporting period.

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

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

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

See Note 3 for further information.

Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

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

Basis for Existing Rates

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

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

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

Current stormwater rates were effective April 1, 2007.

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December 31, 2021

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

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

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

Deficit Balances

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

As of December 31, 2021, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF #10 General Capital Projects	\$ 3,284,958 981,468	Insufficient tax increment generated Costs exceeded revenues due to capital expenditures
TIF #5	10,538	Insufficient tax increment generated
TIF #6	879,420	Insufficient tax increment generated
TIF #8	29,662	Insufficient tax increment generated
TIF #9	362,199	Insufficient tax increment generated
TIF #11	299,491	Insufficient tax increment generated
TIF #12	546,648	Insufficient tax increment generated
TIF #14	247,928	Insufficient tax increment generated
TIF #15	25,254	Insufficient tax increment generated
TIF #16	12,966	Insufficient tax increment generated
TIF #17	13,029	Insufficient tax increment generated
TIF #18	521,716	Insufficient tax increment generated
Fire Impact Fees	30,142	Insufficient revenues to cover expenditures
Tourism and Economic Development	672,919	Costs exceeded revenues due to purchase of property
Commercial Revolving Loan Fund	66,441	Costs exceeded revenues due to the long-term nature of loan repayments
Debt Service Bonds	19,863	Insufficient revenues to cover expenditures

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

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City of River Falls

Notes to Financial Statements
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Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to new construction or 0%. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

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

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 4,064,316	\$ 4,149,736	Custodial credit
LGIP	24,043,063	24,043,063	Credit
U.S. treasuries	939,544	939,544	Custodial credit, interest rate
Corporate bonds	521,856	521,856	Custodial credit, credit, interest rate, concentration of credit
Asset-backed securities	213,119	213,119	Custodial credit, credit, interest rate, concentration of credit
Municipally-held securities	897,902	897,902	Custodial credit, credit, interest rate, concentration of credit
Mortgage-backed securities	927,162	927,162	Custodial credit, credit, interest rate, concentration of credit
Petty cash	714	-	N/A
Total deposits and investments	<u>\$ 31,607,676</u>	<u>\$ 31,692,382</u>	

Reconciliation to financial statements

Per statement of net position:	
Unrestricted cash and investments	\$ 24,916,624
Restricted cash and investments	3,027,707
Per statement of net position, fiduciary fund:	
Custodial fund	<u>3,663,345</u>
Total deposits and investments	<u>\$ 31,607,676</u>

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City of River Falls

Notes to Financial Statements
December 31, 2021

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

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

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

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

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

- Quoted market prices
- Matrix modeled pricing

Investment Type	December 31, 2021		
	Level 1	Level 2	Level 3
U.S. treasuries	\$ -	\$ 939,544	\$ -
Corporate bonds	-	521,856	-
Asset-backed securities	-	213,119	-
Municipally-held securities	-	897,902	-
Mortgage-backed securities	-	927,162	-
Total	<u>\$ -</u>	<u>\$ 3,499,583</u>	<u>\$ -</u>

Custodial Credit Risk

Deposits

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

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

Investments

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

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

Credit Risk

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

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

Investment Type	Standard & Poors
Corporate bonds	AA+/AA/AA-/A+/A1
Asset-backed securities	AAA
Municipality-held securities	AAA/AA+/AA/AA-
Mortgage-backed securities	AA+

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

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

Local Government Investment Pool

Concentration of Credit Risk

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

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

Interest Rate Risk

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

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

Investment Type	Fair Value	Maturity (In Years)			
		Less than One Year	One - Five	Six - Ten	More than Ten
U.S. treasuries	\$ 939,544	\$ -	\$ 939,544	\$ -	\$ -
Corporate bonds	521,856	105,722	231,714	184,420	-
Asset-backed securities	213,119	-	123,958	89,161	-
Municipality-held securities	897,902	64,933	699,524	133,445	-
Mortgage-backed securities	927,162	246,528	670,617	-	10,017
Total	\$ 3,499,583	\$ 417,183	\$ 2,665,357	\$ 407,026	\$ 10,017

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

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$50,405 in the general fund and \$3,373 in the general capital projects fund; loans of \$287,000 in TIF #10, \$100,050 in the general capital projects fund and \$463,434 in nonmajor governmental funds; and other receivables of \$14,094 in the water utility and \$10,892 in the sewer utility.

City of River Falls

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

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

General Fund	
Allowance for various uncollectible receivables	\$ 23,894
Nonmajor Enterprise Funds	
Allowance for uncollectible ambulance receivables	\$ 1,297,567

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	\$ 8,828,103	\$ 4,455
Special assessments receivable	7,634	46,099
Grants receivable	-	2,250
Loans receivable	-	1,082,303
Developer deposits	3,415,644	-
Miscellaneous	-	141,702
Grant funds received in advance of incurring allowable expenditures	838,761	-
Total unearned/unavailable revenue for governmental funds	\$ 13,090,142	\$ 1,276,809
Unearned revenue included in liabilities	\$ 4,254,405	
Unearned revenue included in deferred inflows	8,835,737	
Total unearned revenue for governmental funds	\$ 13,090,142	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Impact Fee Account

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

Net Pension Asset

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

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

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

Capital Assets

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

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 15,632,657	\$ 700,321	\$ -	\$ 16,332,978
Construction in progress	4,190,319	346,509	4,101,968	434,860
Total capital assets not being depreciated / amortized	19,822,976	1,046,830	4,101,968	16,767,838
Capital assets being depreciated / amortized:				
Land improvements	3,005,000	36,701	-	3,041,701
Buildings	18,121,083	4,243,661	-	22,364,744
Machinery and equipment	8,956,527	435,457	64,711	9,329,273
Infrastructure	38,203,828	-	-	38,203,828
Intangibles	373,105	-	-	373,105
Total capital assets being depreciated / amortized	68,661,543	4,715,819	64,711	73,312,651
Total capital assets	88,484,519	5,762,649	4,166,679	90,080,489

City of River Falls

Notes to Financial Statements
December 31, 2021

Less accumulated depreciation / amortization

for:

Land improvements	\$ (364,761)	\$ (78,190)	\$ -	\$ (442,951)
Buildings	(7,160,915)	(494,997)	-	(7,655,912)
Machinery and equipment	(4,330,324)	(452,790)	64,711	(4,718,403)
Infrastructure	(10,201,906)	(554,326)	-	(10,756,232)
Intangibles	(237,574)	(31,117)	-	(268,691)

Total accumulated depreciation / amortization (22,295,490) (1,611,420) 64,711 (23,842,199)

Net capital assets being depreciated / amortized 46,366,063 3,104,399 - 49,470,462

Total governmental activities capital assets, net of accumulated depreciation / amortization \$ 66,189,039 \$ 4,151,229 \$ 4,101,968 \$ 66,238,300

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 164,053
Public safety	263,781
Public works	784,951
Leisure activities	388,516
Conservation and development	10,119

Total governmental activities depreciation / amortization expense \$ 1,611,420

City of River Falls

Notes to Financial Statements
December 31, 2021

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated:				
Land and land rights	\$ 122,960	\$ -	\$ -	\$ 122,960
Construction in progress	167,145	535,980	686,640	16,485
Total capital assets not being depreciated	290,105	535,980	686,640	139,445
Capital assets being depreciated:				
Hydraulic production	932,179	-	-	932,179
Other production	1,260,829	-	-	1,260,829
Transmission	2,676,475	-	-	2,676,475
Distribution	25,781,688	1,245,620	433,763	26,593,545
General	2,630,919	65,802	9,433	2,687,288
Total capital assets being depreciated	33,282,090	1,311,422	443,196	34,150,316
Total capital assets	33,572,195	1,847,402	1,129,836	34,289,761
Less accumulated depreciation for:				
Hydraulic production	(723,423)	(20,446)	-	(743,869)
Other production	(789,614)	(25,127)	-	(814,741)
Transmission	(969,400)	(86,113)	-	(1,055,513)
Distribution	(10,326,893)	(888,715)	469,283	(10,746,325)
General	(1,631,834)	(126,351)	9,433	(1,748,752)
Total accumulated depreciation	(14,441,164)	(1,146,752)	478,716	(15,109,200)
Net capital assets being depreciated	18,840,926	164,670	(35,520)	19,041,116
Net electric capital assets	\$ 19,131,031	\$ 700,650	\$ 651,120	\$ 19,180,561

City of River Falls

Notes to Financial Statements
December 31, 2021

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 23,120	\$ -	\$ -	\$ 23,120
Construction in progress	134,698	88,920	44,935	178,683
Total capital assets not being depreciated	157,818	88,920	44,935	201,803
Capital assets being depreciated:				
Source of supply	881,451	-	-	881,451
Pumping	2,097,693	29,235	3,157	2,123,771
Water treatment	49,671	-	-	49,671
Transmission and distribution	18,068,012	133,057	17,336	18,183,733
General	559,744	-	-	559,744
Total capital assets being depreciated	21,656,571	162,292	20,493	21,798,370
Total capital assets	21,814,389	251,212	65,428	22,000,173
Less accumulated depreciation for:				
Source of supply	(229,770)	(30,181)	-	(259,951)
Pumping	(760,429)	(61,069)	3,157	(818,341)
Water treatment	(24,975)	(2,695)	-	(27,670)
Transmission and distribution	(5,815,561)	(402,797)	17,336	(6,201,022)
General	(326,316)	(31,857)	-	(358,173)
Total accumulated depreciation	(7,177,051)	(528,599)	20,493	(7,685,157)
Net capital assets being depreciated	14,479,520	(366,307)	-	14,113,213
Net water capital assets	\$ 14,637,338	\$ (277,387)	\$ 44,935	\$ 14,315,016
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 117,622	\$ -	\$ -	\$ 117,622
Construction in progress	2,549,181	817,656	2,119,590	1,247,247
Total capital assets not being depreciated	2,666,803	817,656	2,119,590	1,364,869
Capital assets being depreciated:				
Collection system	17,867,521	165,408	11,553	18,021,376
Collection system pumping	1,028,479	-	57,161	971,318
Treatment and disposal	11,143,262	1,909,755	1,648,094	11,404,923
General	3,226,091	-	-	3,226,091
Intangibles	98,839	-	7,487	91,352
Total capital assets being depreciated	33,364,192	2,075,163	1,724,295	33,715,060
Total capital assets	36,030,995	2,892,819	3,843,885	35,079,929
Less accumulated depreciation for:				
Collection system	(3,844,672)	(192,305)	14,457	(4,022,520)
Collection system pumping	(838,409)	(20,274)	76,236	(782,447)
Treatment and disposal	(5,551,326)	(373,940)	1,599,632	(4,325,634)
General	(1,362,764)	(125,070)	-	(1,487,834)
Total accumulated depreciation	(11,597,171)	(711,599)	1,690,325	(10,618,435)
Net capital assets being depreciated	21,767,021	1,363,574	33,970	23,066,625
Net sewer capital assets	\$ 24,433,824	\$ 2,181,230	\$ 2,153,560	\$ 24,461,494

City of River Falls

Notes to Financial Statements
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	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater				
Capital assets not being depreciated:				
Construction in progress	\$ 64,350	\$ -	\$ -	\$ 64,350
Total capital assets not being depreciated	64,350	-	-	64,350
Capital assets being depreciated:				
Machinery and equipment	143,440	-	-	143,440
Collection system	8,819,665	-	-	8,819,665
Total capital assets being depreciated	8,963,105	-	-	8,963,105
Total capital assets	9,027,455	-	-	9,027,455
Less accumulated depreciation for:				
Machinery and equipment	(124,139)	(15,827)	-	(139,966)
Collection system	(2,518,418)	(162,557)	-	(2,680,975)
Total accumulated depreciation	(2,642,557)	(178,384)	-	(2,820,941)
Net capital assets being depreciated	6,320,548	(178,384)	-	6,142,164
Net stormwater capital assets	\$ 6,384,898	\$ (178,384)	\$ -	\$ 6,206,514
	Beginning Balance	Additions	Deletions	Ending Balance
Ambulance				
Capital assets not being depreciated:				
Land	\$ 101,298	\$ -	\$ -	\$ 101,298
Total capital assets not being depreciated	101,298	-	-	101,298
Capital assets being depreciated:				
Buildings	601,408	-	-	601,408
Machinery and equipment	61,173	-	25,188	35,985
Total capital assets being depreciated	662,581	-	25,188	637,393
Total capital assets	763,879	-	25,188	738,691
Less accumulated depreciation for:				
Buildings	(483,025)	(21,830)	-	(504,855)
Machinery and equipment	(47,616)	-	13,430	(34,186)
Total accumulated depreciation	(530,641)	(21,830)	13,430	(539,041)
Net capital assets being depreciated	131,940	(21,830)	11,758	98,352
Net ambulance capital assets	\$ 233,238	\$ (21,830)	\$ 11,758	\$ 199,650
Business-type capital assets, net of accumulated depreciation	\$ 64,820,329	\$ 2,404,279	\$ 2,861,373	\$ 64,363,235

City of River Falls

Notes to Financial Statements
December 31, 2021

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities	
Electric	\$ 1,146,752
Water	476,517
Sewer	850,036
Stormwater	178,384
Ambulance	26,870
	<u>\$ 2,678,559</u>
Total business-type activities depreciation expense	

Depreciation expense is different from additions because of joint metering, salvage and cost of removal.

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

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

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

All amounts are due within one year.

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

Advances

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

City of River Falls

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

In 2017, the capital projects fund advanced \$500,000 to TIF District No. 10. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District #6	\$ 917,045	\$ 917,045
General Fund	TIF District #8	118,157	118,157
General Fund	TIF District #9	381,709	381,709
General Fund	TIF District #10	2,422,711	2,422,711
General Fund	TIF District #11	164,612	164,612
General Fund	TIF District #12	629,726	629,726
General Fund	TIF District #15	600,000	600,000
General Fund	TIF District #16	800,000	800,000
General Fund	TIF District #18	504,571	504,571
General Capital Projects	TIF District #10	500,000	500,000
Environmental Fee	TIF District #10	500,000	500,000
Environmental Fee	Tourism and Economic Development	1,000,000	1,000,000
Total, fund financial statements		8,538,531	
Less fund eliminations		(8,538,531)	
Total, interfund advances, government-wide statement of net position		\$ -	

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

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

City of River Falls

Notes to Financial Statements
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Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	TIF #10	\$ 29,123	Budgeted allocations
General	General capital projects	51,388	Budgeted allocations
General	Nonmajor governmental funds	480,273	Budgeted allocations
General	Electric utility	696,811	Property tax equivalent & budgeted allocations
General	Water utility	375,752	Property tax equivalent & budgeted allocations
General	Sewer utility	132,821	Budgeted allocations
General	Nonmajor enterprise funds	33,149	Budgeted allocations
General	Internal service funds	63,792	Budgeted allocations
Nonmajor governmental funds	General	90,330	Budgeted allocations
Nonmajor governmental funds	Nonmajor governmental funds	39,565	Budgeted allocations
Nonmajor governmental funds	Internal service funds	151,122	Budgeted allocations
Internal service funds	General	630,866	Budgeted allocations
Internal service funds	Nonmajor governmental funds	81,741	Budgeted allocations
Internal service funds	Nonmajor enterprise funds	19,731	Budgeted allocations
Internal service funds	Internal service funds	102,084	Budgeted allocations
Internal service funds	Electric utility	280,066	Budgeted allocations
Internal service funds	Water utility	59,234	Budgeted allocations
Internal service funds	Sewer utility	79,271	Budgeted allocations
Total, fund financial statements		3,377,119	Budgeted allocations
Less fund eliminations		(1,720,284)	
Total transfers, government-wide statement of activities		\$ 1,656,835	

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

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

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 17,670,000	\$ -	\$ 1,415,000	\$ 16,255,000	\$ 1,365,000
General obligation bonds or notes from direct borrowings and direct placements (Discounts)/Premiums	3,029,361	-	466,379	2,572,982	430,704
	854,685	-	60,728	794,157	-
Total bonds and notes payable	21,554,246	-	1,932,107	19,622,139	1,795,704
Other liabilities:					
Vested compensated absences	232,765	8,081	5,804	235,042	235,042
Other postemployment benefits	764,025	-	51,961	712,064	-
Landfill postclosure care cost	114,807	8,037	15,513	107,331	15,513
Total other liabilities	1,111,597	16,118	73,278	1,054,437	250,555
Total governmental activities long-term liabilities	\$ 22,665,843	\$ 16,118	\$ 2,005,385	\$ 20,676,576	\$ 2,046,259
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 980,000	\$ -	\$ 315,000	\$ 665,000	\$ 325,000
Revenue bonds	7,425,000	-	540,000	6,885,000	555,000
Revenue bonds from direct borrowings and direct placements	1,016,895	-	192,512	824,383	197,798
Other long-term debt from direct borrowings and direct placements (Discounts)/Premiums:	486,306	-	52,973	433,333	50,000
Bond discount	181,654	-	26,997	154,657	-
Total bonds and notes payable	10,089,855	-	1,127,482	8,962,373	1,127,798
Other liabilities:					
Vested compensated absences	84,396	25,809	-	110,205	110,205
Other postemployment benefits	132,416	11,072	-	143,488	-
Total other liabilities	216,812	36,881	-	253,693	110,205
Total business-type activities long-term liabilities	\$ 10,306,667	\$ 36,881	\$ 1,127,482	\$ 9,216,066	\$ 1,238,003

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$65,795,550. Total general obligation debt outstanding at year end was \$19,492,982.

City of River Falls

Notes to Financial Statements
December 31, 2021

General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the special revenue, debt service and capital projects funds. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
General Obligation Debt					
Refunding Bonds	03/2012	03/2028	2.4%	\$ 4,560,000	\$ 1,020,000
Corporate Purpose Bonds	08/2014	06/2034	3.0-4.0	5,425,000	3,640,000
State Trust Fund Loan *	07/2015	03/2034	3.75	1,600,000	1,196,666
State Trust Fund Loan *	10/2015	03/2025	3.25	269,800	131,324
Promissory Note *	10/2015	10/2025	2.94	575,000	231,792
Refunding Bonds	04/2016	03/2029	2.0-3.0	4,060,000	3,020,000
Park Bonds	07/2018	04/2033	3.0-3.2	3,460,000	2,895,000
Promissory Note *	12/2018	12/2023	3.33	516,000	206,400
Promissory Note *	11/2019	11/2029	2.54	620,000	496,000
Promissory Note *	11/2019	11/2024	2.09	518,000	310,800
Corporate Purpose Bonds	06/2020	03/2040	2.0-4.0	5,740,000	5,680,000
Total governmental activities, general obligation debt				\$ 18,827,982	\$ 18,827,982
Business-Type Activities					
General Obligation Debt					
Refunding Bonds	08/2012	05/2023	1.0-2.5%	\$ 3,165,000	\$ 665,000
Total business-type activities, general obligation debt				\$ 3,165,000	\$ 665,000

* - considered direct placement or direct borrowing

City of River Falls

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

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

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

Revenue Debt

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

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

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

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

City of River Falls

Notes to Financial Statements
December 31, 2021

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

Business-Type Activities Revenue Debt					
Electric Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Revenue Bonds	07/2018	04/2028	3.0-4.0%	\$ 2,500,000	\$ 1,855,000
Total Electric Utility					1,855,000
Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Revenue Bonds	07/2011	11/2031	2.0-4.4%	2,125,000	1,280,000
Total Water Utility					1,280,000
Sewer Utility					
Revenue Bonds *	11/2005	05/2025	2.746%	3,317,130	824,383
Revenue Bonds	04/2016	05/2036	2.0-3.0%	4,510,000	3,750,000
Total Sewer Utility					4,574,383
Total business-type activities, revenue debt					\$ 7,709,383

* - Considered direct placement or direct borrowing

City of River Falls

Notes to Financial Statements
December 31, 2021

City of River Falls

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

Years	Business-Type Activities	
	Revenue Debt	Interest
2022	\$ 555,000	\$ 204,805
2023	570,000	187,200
2024	590,000	168,795
2025	610,000	150,805
2026	625,000	133,425
2027-2031	2,510,000	403,250
2032-2036	1,425,000	109,275
Total	\$ 6,885,000	\$ 1,357,555

Years	Business-Type Activities	
	Revenue Debt from Direct Borrowings and Direct Placements	Interest
2022	\$ 197,798	\$ 19,922
2023	203,230	14,416
2024	208,811	8,758
2025	214,544	2,946
Total	\$ 824,383	\$ 46,042

Other Loans Payable

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Other Loans Payable					
WPPI Loan *	05/2020	06/2030	0%	\$ 500,000	\$ 433,333
Total business-type activities other loans payable					\$ 433,333

* - Considered direct placement or direct borrowing

Debt service requirements to maturity are as follows:

Years	Business-Type Activities	
	Other Loans Payable	Interest
2022	\$ 50,000	\$ -
2023	50,000	-
2024	50,000	-
2025	50,000	-
2026	50,000	-
2027-2030	183,333	-
Total	\$ 433,333	\$ -

Other Debt Information

Estimated payments of compensated absences, other postemployment benefits and landfill postclosure care costs are not included in the debt service requirement schedules. The liabilities attributable to governmental activities will be liquidated primarily by the general fund.

The City's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$1,327,990 contain 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 \$1,244,992 and business-type activities of \$433,333 contain provisions that in an event of default, outstanding amounts become immediately due and payable.

The City's outstanding debt from direct borrowings or direct placements related to business-type activities of \$824,383 contain provisions that (1) any delinquent payments can be deducted from any state payments that are due to the City or a special charge may be added to the taxes apportioned to an levied upon the county in which the City is located and (2) in an event of default, outstanding amounts become immediately due and payable or the interest rate may be increased to the market interest rate and (3) any delinquent payments may be intercepted from the revenue of the utility system.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for until notified by the Wisconsin Department of Natural Resources that such maintenance and monitoring is no longer required, years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$107,331 reported as landfill closure and postclosure care liability at December 31, 2021, represents the estimated amount of future postclosure costs. These amounts are based on what it would cost to perform all postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 16,332,978
Construction in progress	434,860
Other capital assets, net of accumulated depreciation/amortization	49,470,462
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(18,827,982)
Plus noncapital debt proceeds	1,964,401
Less unamortized debt premium	(794,157)
Plus unamortized deferred charge on refunding	218,263
Total net investment in capital assets	\$ 48,798,825

City of River Falls

Notes to Financial Statements
December 31, 2021

Governmental Funds

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

	General Fund	Tax Increment District #10	General Capital Projects Fund	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Prepaid items	\$ 56,126	\$ -	\$ -	\$ 4,910	\$ 61,036
Advances to other funds	6,538,531	-	500,000	-	7,038,531
Subtotal	6,594,657	-	500,000	4,910	7,099,567
Restricted for:					
Debt service	-	-	-	16,130	16,130
Parking improvements	-	-	-	64,068	64,068
Refuse/solid waste	-	-	-	39,628	39,628
Shared ride taxi	-	-	-	10,199	10,199
Environmental fee	-	-	-	3,262,824	3,262,824
Future TIF expenditures	-	-	-	257,522	257,522
Library	-	-	-	246,741	246,741
Park impact fee projects	-	-	-	437,448	437,448
Library impact fee projects	-	-	-	124,900	124,900
Housing reserve	-	-	-	462,408	462,408
Library trust	-	-	-	155,149	155,149
Subtotal	-	-	-	5,077,017	5,077,017
Committed to:					
American Recovery Plan	-	-	-	257	257
Park acquisition	-	-	-	1,125	1,125
Equipment	-	-	-	1,028,623	1,028,623
Subtotal	-	-	-	1,030,005	1,030,005
Unassigned (deficit):	6,139,780	(3,284,958)	(1,481,468)	(3,738,216)	(2,364,862)
Total fund balances (deficit)	\$ 12,734,437	\$ (3,284,958)	\$ (981,468)	\$ 2,373,716	\$ 10,841,727
Business-Type Activities					
Net investment in capital assets:					
Land				\$	\$ 365,000
Construction in progress					1,506,765
Other capital assets, net of accumulated depreciation					62,491,470
Less Long-term debt outstanding					(8,807,716)
Plus unamortized loss on refunding					29,541
Less unamortized debt premium					(154,657)
Plus unspent debt proceeds					747,313
Total net investment in capital assets					\$ 56,177,716

City of River Falls

Notes to Financial Statements
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Component Unit

Business Improvement District

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

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

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 57,683	\$ 57,683	Custodial credit risk

Custodial Credit Risk

Deposits

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

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

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (680 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Vesting

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

Benefits Provided

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

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

Vested participants may retire at age 55 (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.

Post-Retirement Adjustments

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

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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City of River Falls

Notes to Financial Statements
December 31, 2021

Contributions

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

During the reporting period, the WRS recognized \$677,794 in contributions from the City.

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

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

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

At December 31, 2021, the City reported an asset of \$3,736,125 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.05984370%, which was an increase of 0.00061153% from its proportion measured as of December 31, 2019.

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

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

\$614,669 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2022	\$ (698,150)
2023	(190,678)
2024	(1,269,655)
2025	(537,772)

Actuarial Assumptions

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

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

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

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

City of River Falls

Notes to Financial Statements
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Long-Term Expected Return on Plan Assets

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

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

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

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of River Falls

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Notes to Financial Statements
December 31, 2021

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

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

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

City's proportionate share of the net pension liability (asset)

Pension Plan Fiduciary Net Position

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

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

Risk Management

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

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

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

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

Long-Term Contracts, WPPI Energy

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

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

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

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

Joint Ventures

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

Hudson	41.39 %
River Falls	18.59 %
New Richmond	8.98 %
Prescott	8.93 %
Ellsworth	6.69 %
Amery	6.35 %
Baldwin	4.52 %
Spring Valley	2.00 %
Somerset	1.31 %
Roberts	1.24 %

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

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Other Postemployment Benefits**General Information about the OPEB Plan****Plan Description**

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

Benefits Provided

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

Employees Covered by Benefit Terms

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

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

Total OPEB Liability

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

Actuarial Assumptions and Other Inputs

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

Inflation	2.70%
Salary increases	3.20% average, including inflation
Healthcare cost trend rates	8.00% for 2022, decreasing 0.50% per year to an ultimate rate of 4.50% for 2029 and later years

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on various SOA Pub-2010 Headcount Weighted Mortality Tables, using Scale MP-2021.

City of River Falls

Notes to Financial Statements
December 31, 2021

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

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2020	\$ 896,441
Changes for the year:	
Service cost	48,680
Interest	19,416
Differences between expected and actual experience	(85,224)
Changes in assumptions or other inputs	35,071
Benefit payments	(58,832)
Net changes	(40,889)
Balances at December 31, 2021	\$ 855,552
Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.25% in 2021.	

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate.

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

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

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 767,553	\$ 855,552	\$ 958,541

City of River Falls

Notes to Financial Statements

December 31, 2021

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

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,329	\$ 80,459
Changes of assumptions or other inputs	126,319	10,500
Total	\$ 196,648	\$ 90,959

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

Year Ended December 31:	Amount
2022	\$ 27,808
2023	27,808
2024	27,814
2025	22,132
2026	7,290
Thereafter	(7,163)
Total	\$ 105,689

Related Organizations

Housing Authority

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

Tax Abatement

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

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

City of River Falls

Notes to Financial Statements

December 31, 2021

Effect of New Accounting Standards on Current-Period Financial Statements

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

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

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

Nonexchange Financial Guarantee

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

City of River Falls

Notes to Financial Statements

December 31, 2021

Tax Incremental Financing Districts

The City currently maintains separate special revenue funds to account for its Tax Increment Financing Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until either 23 or 27 years after the creation date, whichever occurs first. Upon termination, the incremental tax base created by each TID will become part of the City's regular tax base. Any surplus remaining in the TID districts at the time of termination will be allocated among all affected taxing jurisdictions.

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

REQUIRED SUPPLEMENTARY INFORMATION

City of River Falls

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

	Budgeted Amounts		Variance with Final Budget
	Original	Final	
Revenues			
Taxes	\$ 4,857,183	\$ 4,857,183	\$ (17,862)
Special assessments	-	120	120
Intergovernmental	3,676,913	3,729,140	52,227
Licenses and permits	330,350	387,431	57,081
Fines, forfeitures and penalties	170,000	153,917	(16,083)
Public charges for services	255,475	343,207	87,732
Intergovernmental charges for services	25,000	14,263	(10,737)
Investment income	128,723	65,221	(63,502)
Miscellaneous	66,953	84,205	17,252
Total revenues	9,510,597	9,531,027	85,798
Expenditures			
Current:			
General government	2,062,282	1,942,827	119,455
Public safety	4,166,533	3,975,679	190,854
Public works	2,415,667	2,020,599	269,068
Health services	2,740	1,902	838
Leisure activities	900,288	912,881	5,407
Conservation and development	910,992	1,013,996	4,996
Debt service:			
Principal	251,303	251,291	12
Interest and fiscal charges	44,866	44,981	(115)
Total expenditures	10,754,671	10,164,156	590,515
Excess (deficiency) of revenues over (under) expenditures	(1,244,074)	(547,331)	676,313
Other Financing Sources (Uses)			
Transfers in	1,950,270	1,863,109	(66,731)
Transfers out	(721,196)	(721,196)	-
Property sales	15,000	16,425	1,425
Total other financing sources (uses)	1,244,074	1,158,338	(65,306)
Net change in fund balance	-	611,007	611,007
Fund Balance, Beginning	12,123,430	12,123,430	-
Fund Balance, Ending	\$ 12,123,430	\$ 12,734,437	\$ 611,007

See notes to required supplementary information
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City of River Falls

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

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

See notes to required supplementary information
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City of River Falls

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended December 31, 2021

	Year End Date			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 48,680	\$ 37,288	\$ 36,854	\$ 34,576
Interest	19,416	26,116	28,328	21,789
Differences between expected and actual experience	(85,224)	37,051	58,906	(17,294)
Changes of assumptions	35,071	64,152	44,979	(24,500)
Benefit payments	(68,832)	(63,446)	(51,861)	(45,877)
				(41,071)
Net change in total OPEB liability	(40,889)	101,161	117,206	(22,612)
				108,457
Total OPEB Liability, Beginning	896,441	795,280	678,074	700,686
				592,229
Total OPEB Liability, Ending	\$ 855,552	\$ 896,441	\$ 795,280	\$ 700,686
Covered employee payroll	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135
Total OPEB liability as a percentage of covered employee payroll	26.05%	23.67%	20.03%	14.00%
				14.93%

See notes to required supplementary information
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City of River Falls

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

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability)	City's Proportionate Share of the Net Pension Asset (Liability) as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
12/31/20	0.05984370 %	\$ 3,736,125	43.13 %	105.26 %
12/31/19	0.05923217 %	\$ 8,662,506	22.60 %	102.96 %
12/31/18	0.05700718 %	1,909,915	24.98 %	96.45 %
12/31/17	0.05357074 %	(2,028,136)	20.63 %	102.93 %
12/31/16	0.05015113 %	1,590,578	5.95 %	99.12 %
12/31/15	0.04847920 %	(413,365)	12.29 %	98.20 %
12/31/14	0.04828345 %	(787,778)	19.41 %	102.74 %
		1,185,974		
		6,109,604		

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

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions		Contributions as a Percentage of Covered Payroll
		Contractually Required Contributions	Contribution Deficiency (Excess)	
12/31/21	\$ 614,669	\$ 614,669	\$ -	7.031,631
12/31/20	680,059	680,059	-	7,921,103
12/31/19	630,482	630,482	-	8,119,377
12/31/18	614,274	614,274	-	8,119,664
12/31/17	595,057	595,057	-	7,708,241
12/31/16	515,383	515,383	-	6,946,950
12/31/15	462,018	462,018	-	6,407,948
				8.74 %
				8.59 %
				7.77 %
				7.57 %
				7.72 %
				7.42 %
				7.21 %

See notes to required supplementary information
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City of River Falls

Notes to Required Supplementary Information
Year Ended December 31, 2021

Budgetary Information

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

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

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

Other Post Employment Benefit (OPEB) Plan

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

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

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

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

Wisconsin Retirement System

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

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

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

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

SUPPLEMENTARY INFORMATION

City of River Falls

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

	Budgeted Amounts		Variance with Final Budget
	Original	Final	
Taxes			
General property taxes	\$ 4,766,883	\$ 4,766,883	\$ (8,265)
Mobile home taxes	22,000	22,000	(2,432)
Payments in lieu of taxes, housing authority	7,800	7,800	(7,674)
Payment in lieu of taxes, other	60,000	58,933	(1,067)
Interest and penalties on taxes	500	2,076	1,576
Total taxes	4,857,183	4,839,321	(17,862)
Special Assessments			
Special assessments	-	-	120
Total special assessments	-	120	120
Intergovernmental			
State shared revenues	2,121,913	2,121,913	14,685
Fire insurance from state	40,000	52,453	12,453
State aid, computers	10,000	10,754	754
State aid, other public safety	-	24,206	24,206
State aid, streets	650,000	652,159	2,159
State aid, local road improvement program	160,000	-	(160,000)
State aid, municipal services	270,000	424,842	154,842
Municipal grants	300,000	300,636	636
School district grant	125,000	127,492	2,492
Total intergovernmental	3,676,913	3,729,140	52,227
Licenses and Permits			
Liquor and malt beverage licenses	18,000	28,926	10,926
Operators' license	6,000	5,160	(840)
Cigarette licenses	1,500	2,013	513
Cable television franchise fees	130,150	113,990	(16,160)
Business and occupational licenses	1,000	2,484	1,484
Dog licenses	4,000	4,614	614
Housing inspection licenses	500	410	(90)
Plumbing permits	2,000	1,175	(825)
Building permits	160,000	219,394	59,394
Sign permits	2,500	1,512	(988)
Zoning permits	3,000	5,245	2,245
Inspectors red seal	1,700	2,508	808
Total licenses and permits	330,350	387,431	57,081
Fines, Forfeitures and Penalties			
Court penalties and costs	50,000	61,546	11,546
Parking violations	90,000	67,052	(22,948)
Court costs	30,000	25,319	(4,681)
Total fines, forfeitures and penalties	170,000	153,917	(16,083)

City of River Falls

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

	Budgeted Amounts		Variance with Final Budget
	Original	Final	
Public Charges for Services			
Clerk's fees	\$ 9,000	\$ 9,000	\$ 7,501
Zoning administration fees	17,000	17,000	25,300
Publication fees	1,000	1,000	1,200
Plat review fees	10,000	10,000	25,200
Police department fees	10,000	10,000	6,302
Police towing	8,000	8,000	(3,698)
Fire department fees	15,000	15,000	(1,925)
Fire inspection fees	1,500	1,500	984
Highway maintenance and construction	10,000	10,000	1,150
Weights and measures charges	4,475	4,475	22,712
Swimming pool	45,000	45,000	4,550
Parks	58,000	58,000	26,845
Recreation programs	65,000	65,000	62,327
Forestry fees	-	-	85,475
Other public charges for services	1,500	1,500	49,301
Total public charges for services	255,475	255,475	3,285
Intergovernmental Charges for Services			
Interdepartmental sales	25,000	25,000	14,263
Total intergovernmental charges for services	25,000	25,000	14,263
Investment Income			
Interest, interfund advances	53,723	74,153	74,153
Interest on temporary investments	75,000	75,000	(8,932)
Total investment income	128,723	149,153	65,221
Miscellaneous			
Rent of municipal buildings	2,200	2,200	1,200
Donations	-	-	34,948
Miscellaneous	64,753	64,753	48,057
Total miscellaneous	66,953	66,953	84,205
Other Financing Sources			
Transfers from other funds	1,950,270	1,929,840	1,863,109
Property sales	15,000	15,000	16,425
Total other financing sources	1,965,270	1,944,840	1,879,534
Total revenues and other financing sources	\$ 11,475,867	\$ 11,475,867	\$ 20,492

City of River Falls

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

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General Government				
Council	\$ 367,767	\$ 367,767	\$ 226,958	\$ 140,809
Municipal court	132,279	132,279	125,472	6,807
City administrator	606,141	606,141	657,049	(50,908)
Personnel	407,015	407,015	379,649	27,366
Clerk	168,336	168,336	185,625	(17,289)
Finance	326,444	326,444	310,541	15,903
Legal counseling	54,300	54,300	57,533	(3,233)
Total general government	2,062,282	2,062,282	1,942,827	119,455
Public Safety				
Police	3,498,044	3,498,044	3,429,276	68,768
Fire department	668,489	668,489	546,403	122,086
Total public safety	4,166,533	4,166,533	3,975,679	190,854
Public Works				
Garage	384,897	384,897	350,432	34,465
Street maintenance	1,755,885	1,629,885	1,378,703	251,182
Engineer	274,885	274,885	291,464	(16,579)
Total public works	2,415,667	2,289,667	2,020,599	269,068
Health Services				
Animal control	2,740	2,740	1,902	838
Total health services	2,740	2,740	1,902	838
Leisure Activities				
Recreation	152,785	152,785	139,417	13,368
Swimming	122,638	122,638	95,954	26,684
Parks	624,865	642,865	677,510	(34,645)
Total leisure activities	900,288	918,288	912,881	5,407
Conservation and Development				
Forestry	73,855	181,855	177,698	4,157
Community development	837,137	837,137	836,298	839
Total conservation and development	910,992	1,018,992	1,013,996	4,996
Debt Service				
Principal on notes payable, fire	57,500	57,500	57,500	-
Principal retirements	193,803	193,803	193,791	12
Interest on notes payable, fire	30,248	30,248	30,243	5
Interest and fiscal charges	14,558	14,558	14,613	(55)
Paying agent fees	60	60	125	(65)
Total debt service	296,169	296,169	296,272	(103)

City of River Falls

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

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

City of River Falls

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				
	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee	Park Acquisition Fund
Assets					
Cash and investments	\$ 65,027	\$ 84	\$ 27,281	\$ 1,764,741	\$ 1,125
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	97,012	-	9,316	-
Accrued interest	-	-	-	3,584	-
Loans	-	-	-	-	-
Prepaid items and inventories	-	-	-	-	-
Due from other governments	-	137	-	-	-
Advances to other funds	-	-	-	1,500,000	-
Total assets	\$ 65,027	\$ 97,233	\$ 27,281	\$ 3,277,641	\$ 1,125
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 959	\$ 33	\$ 14,832	\$ 14,817	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	57,435	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	959	57,468	14,832	14,817	-
Deferred Inflows of Resources					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	137	2,250	-	-
Total deferred inflows of resources	-	137	2,250	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	64,068	39,628	10,199	3,262,824	-
Committed	-	-	-	-	1,125
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	64,068	39,628	10,199	3,262,824	1,125
Total liabilities, deferred inflows of resources and fund balances	\$ 65,027	\$ 97,233	\$ 27,281	\$ 3,277,641	\$ 1,125

	Special Revenue Funds									
	Tax Increment District #5	Tax Increment District #6	Tax Increment District #8	Tax Increment District #9	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13			
\$	28	\$ 37,625	\$ 88,495	\$ 19,510	\$ 23	\$ 83,078	\$ 257,522			
467,421	180,160	70,359	84,106	6,690	38,373	68,037				
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
467,449	217,785	158,854	103,616	6,713	121,451	325,559				
\$	1,440	\$ -	\$ -	\$ -	\$ 20,035	\$ -	\$ -			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
9,126	-	-	-	-	114,867	-	-			
-	917,045	118,157	381,709	164,612	629,726	-	-			
-	-	-	-	-	-	-	-			
10,566	917,045	118,157	381,709	299,514	629,726	-	-			
467,421	180,160	70,359	84,106	6,690	38,373	68,037				
-	-	-	-	-	-	-	-			
467,421	180,160	70,359	84,106	6,690	38,373	68,037				
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
(10,538)	(879,420)	(29,662)	(362,199)	(299,491)	(546,648)	-	-			
(10,538)	(879,420)	(29,662)	(362,199)	(299,491)	(546,648)	257,522				
\$	467,449	\$ 217,785	\$ 158,854	\$ 103,616	\$ 6,713	\$ 121,451	\$ 325,559			

City of River Falls

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				
	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18
Assets					
Cash and investments	\$ 67	\$ 580,709	\$ 787,034	\$ 48	\$ 2
Receivables:					
Taxes	93,613	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items and inventories	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 93,680	\$ 580,709	\$ 787,034	\$ 48	\$ 2
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 3,463	\$ -	\$ 108	\$ 342
Accrued liabilities	-	-	-	-	-
Deposits	4,690	-	-	-	-
Due to other funds	243,305	-	-	12,969	16,805
Advances from other funds	-	600,000	800,000	-	504,571
Unearned revenues	-	2,500	-	-	-
Total liabilities	247,995	605,963	800,000	13,077	521,718
Deferred Inflows of Resources					
Unearned revenues	93,613	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	93,613	-	-	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	(247,928)	(25,254)	(12,966)	(13,029)	(521,716)
Total fund balances (deficit)	(247,928)	(25,254)	(12,966)	(13,029)	(521,716)
Total liabilities, deferred inflows of resources and fund balances	\$ 93,680	\$ 580,709	\$ 787,034	\$ 48	\$ 2

	Special Revenue Funds						
	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve	Library Trust Fund
\$ 264,138	\$ 330	\$ 437,448	\$ 25,871	\$ -	\$ 462,408	\$ 155,149	
850,000	-	-	-	-	-	-	-
3,168	-	-	99,029	-	-	-	-
-	158,592	-	-	-	423,386	-	-
4,910	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 1,122,216	\$ 158,922	\$ 437,448	\$ 124,900	\$ -	\$ 885,794	\$ 155,149	
\$ 10,623	\$ -	\$ -	\$ -	\$ 3,473	\$ -	\$ -	-
9,942	-	-	-	-	-	-	-
-	66,771	-	-	-	26,669	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,565	66,771	-	-	30,142	-	-	-
850,000	-	-	-	-	-	-	-
-	158,592	-	-	-	423,386	-	-
850,000	158,592	-	-	-	423,386	-	-
4,910	-	-	-	-	-	-	-
246,741	-	437,448	124,900	-	462,408	155,149	-
-	-	-	-	-	-	-	-
-	(66,441)	-	-	(30,142)	-	-	-
251,651	(66,441)	437,448	124,900	(30,142)	462,408	155,149	
\$ 1,122,216	\$ 158,922	\$ 437,448	\$ 124,900	\$ -	\$ 885,794	\$ 155,149	

City of River Falls

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund
	Tourism and Economic Development	American Rescue Plan Act	Debt Service Notes	Debt Service Bonds	Capital Equipment
Assets					
Cash and investments	\$ 287,577	\$ 839,018	\$ 16,333	\$ 17,578	\$ 1,028,623
Receivables:					
Taxes	2,500	-	572,318	495,336	148,495
Accounts	39,504	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items and inventories	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 329,581</u>	<u>\$ 839,018</u>	<u>\$ 588,651</u>	<u>\$ 512,914</u>	<u>\$ 1,177,118</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	203	37,441	-
Advances from other funds	1,000,000	-	-	-	-
Unearned revenues	-	838,761	-	-	-
Total liabilities	<u>1,000,000</u>	<u>838,761</u>	<u>203</u>	<u>37,441</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenues	2,500	-	572,318	495,336	148,495
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>2,500</u>	<u>-</u>	<u>572,318</u>	<u>495,336</u>	<u>148,495</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	16,130	-	-
Committed	-	257	-	-	1,028,623
Unassigned (deficit)	<u>(672,919)</u>	<u>-</u>	<u>-</u>	<u>(19,863)</u>	<u>-</u>
Total fund balances (deficit)	<u>(672,919)</u>	<u>257</u>	<u>16,130</u>	<u>(19,863)</u>	<u>1,028,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 329,581</u>	<u>\$ 839,018</u>	<u>\$ 588,651</u>	<u>\$ 512,914</u>	<u>\$ 1,177,118</u>

	Total Nonmajor Governmental Funds
\$	7,246,872
	3,077,408
	248,029
	3,584
	581,978
	4,910
	137
	1,500,000
\$	12,662,918

\$	70,125
	9,942
	4,690
	585,591
	5,115,820
	841,261
	6,627,429
	3,077,408
	584,365
	3,661,773
	4,910
	5,077,017
	1,030,005
	(3,738,216)
	2,373,716
\$	12,662,918

City of River Falls

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

Special Revenue Funds					
	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee	Park Acquisition Fund
Revenues					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	219,337	-	-
Public charges for services	-	950,874	-	96,238 (8,300)	-
Investment income	10	90	21	-	-
Miscellaneous	-	-	-	-	-
Total revenues	10	950,964	219,358	87,938	-
Expenditures					
Current:					
Public safety	1,426	-	-	-	-
Public works	-	929,116	214,624	-	-
Leisure activities	-	-	-	-	-
Conservation and development	-	-	-	35,190	-
Capital outlay	-	-	675	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,426	929,116	215,299	35,190	-
Excess (deficiency) of revenues over expenditures	(1,416)	21,848	4,059	52,748	-
Other Financing Sources (Uses)					
Transfers from other funds	-	-	17,175 (8,649)	-	-
Transfer to other funds	-	(28,205)	-	(2,502)	-
Total other financing sources (uses)	-	(28,205)	8,526	(2,502)	-
Net changes in fund balances	(1,416)	(6,357)	12,585	50,246	-
Fund Balances (Deficit), Beginning	65,484	45,985	(2,386)	3,212,578	1,125
Fund Balances (Deficit), Ending	\$ 64,068	\$ 39,628	\$ 10,199	\$ 3,262,824	\$ 1,125

Special Revenue Funds							
Tax Increment District #5	Tax Increment District #6	Tax Increment District #8	Tax Increment District #9	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13	
\$ 497,477	\$ 197,665	\$ 78,364	\$ 81,093	\$ 18,380	\$ 44,111	\$ 216,880	
-	-	-	-	-	-	-	
47,507	511	-	5,593	891	-	-	
-	-	-	-	-	-	-	
132	17	39	4	-	37	111	
5,060	-	-	8,110	-	-	-	
550,176	198,193	78,403	94,800	19,271	44,148	216,991	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
-	-	-	-	-	-	-	
11,886	650	773	70,649	26,515	945	650	
-	-	-	-	245	-	-	
185,000	130,000	-	69,928	-	-	-	
69,198	33,603	-	3,258	-	-	-	
266,084	164,253	773	143,835	26,760	945	650	
284,092	33,940	77,630	(49,035)	(7,489)	43,203	216,341	
-	-	-	73,155	-	-	-	
(228,936)	(6,353)	(2,409)	(5,353)	(5,443)	(193)	(203)	
(228,936)	(6,353)	(2,409)	67,802	(5,443)	(193)	(203)	
55,156	27,587	75,221	18,767	(12,932)	43,010	216,138	
(65,694)	(907,007)	(104,883)	(380,966)	(286,559)	(589,658)	41,384	
\$ (10,538)	\$ (879,420)	\$ (29,662)	\$ (362,199)	\$ (299,491)	\$ (546,648)	\$ 257,522	

City of River Falls

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

	Special Revenue Funds				
	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18
Revenues					
Taxes	\$ 32,749	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	47	960	1,283	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>32,796</u>	<u>960</u>	<u>1,283</u>	-	-
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	650	702	1,553	13,029	17,145
Capital outlay	-	14,610	-	-	504,571
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	20,430	-	-	-	-
Total expenditures	<u>21,080</u>	<u>15,312</u>	<u>1,553</u>	<u>13,029</u>	<u>521,716</u>
Excess (deficiency) of revenues over expenditures	<u>11,716</u>	<u>(14,352)</u>	<u>(270)</u>	<u>(13,029)</u>	<u>(521,716)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfer to other funds	(910)	-	-	-	-
Total other financing sources (uses)	<u>(910)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,806	(14,352)	(270)	(13,029)	(521,716)
Fund Balances (Deficit), Beginning	<u>(258,734)</u>	<u>(10,902)</u>	<u>(12,696)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit), Ending	<u>\$ (247,928)</u>	<u>\$ (25,254)</u>	<u>\$ (12,966)</u>	<u>\$ (13,029)</u>	<u>\$ (521,716)</u>

	Special Revenue Funds					
	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve
\$ 855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
366,243	-	-	-	-	-	-
3,491	-	-	56,293	39,176	32,523	-
618	7,827	679	-	-	-	3,605
7,645	58,832	-	-	24,915	-	30,486
1,232,997	66,659	56,972	64,091	32,523	34,091	139,474
-	-	-	-	-	-	-
977,876	-	-	2,988	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	4,050	-
-	-	-	-	-	27,000	-
-	-	-	-	-	6,083	-
977,876	-	-	2,988	37,133	329,400	-
255,121	66,659	56,972	61,103	(4,610)	(295,309)	139,474
(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)	(1,317)
(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)	(1,317)
81,633	64,885	51,687	61,008	(32,146)	(295,432)	138,157
170,018	(131,326)	385,761	63,892	2,004	757,840	16,992
\$ 251,651	\$ (66,441)	\$ 437,448	\$ 124,900	\$ (30,142)	\$ 462,408	\$ 155,149

City of River Falls

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

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund
	Tourism and Economic Development	American Rescue Plan Act	Debt Service Notes	Debt Service Bonds	Capital Equipment
Revenues					
Taxes	\$ 154,486	\$ -	\$ 654,526	\$ 494,761	\$ 107,442
Special assessments	2,500	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Investment income	391	257	268	53	1,346
Miscellaneous	-	-	-	63,502	99,402
Total revenues	<u>157,377</u>	<u>257</u>	<u>654,794</u>	<u>558,316</u>	<u>208,190</u>
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	124,736	-	-	-	-
Capital outlay	-	-	-	-	185,852
Debt service:					
Principal retirement	-	-	590,000	347,870	-
Interest and fiscal charges	-	-	218,689	181,601	-
Total expenditures	<u>124,736</u>	<u>-</u>	<u>808,689</u>	<u>529,471</u>	<u>185,852</u>
Excess (deficiency) of revenues over expenditures	<u>32,641</u>	<u>257</u>	<u>(153,895)</u>	<u>28,845</u>	<u>22,338</u>
Other Financing Sources (Uses)					
Transfers from other funds	13,000	-	177,687	-	-
Transfer to other funds	<u>(51,331)</u>	<u>-</u>	<u>(24,074)</u>	<u>(19,258)</u>	<u>(8,142)</u>
Total other financing sources (uses)	<u>(38,331)</u>	<u>-</u>	<u>153,613</u>	<u>(19,258)</u>	<u>(8,142)</u>
Net change in fund balances	(5,690)	257	(282)	9,587	14,196
Fund Balances (Deficit), Beginning	<u>(667,229)</u>	<u>-</u>	<u>16,412</u>	<u>(29,450)</u>	<u>1,014,427</u>
Fund Balances (Deficit), Ending	<u>\$ (672,919)</u>	<u>\$ 257</u>	<u>\$ 16,130</u>	<u>\$ (19,863)</u>	<u>\$ 1,028,623</u>

City of River Falls

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

	Total Nonmajor Governmental Funds
\$ 3,432,934	
2,500	
640,082	
1,178,595	
9,735	
<u>437,186</u>	
<u>5,701,032</u>	
1,426	
1,143,740	
980,864	
634,473	
710,003	
1,349,798	
<u>532,862</u>	
<u>5,353,166</u>	
347,866	
281,017	
<u>(601,579)</u>	
(320,562)	
27,304	
<u>2,346,412</u>	
<u>\$ 2,373,716</u>	

City of River Falls

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

Assets	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Current assets:			
Cash and investments	\$ 714,471	\$ 151,924	\$ 866,395
Receivables, net:			
Accounts	52,339	343,762	396,101
Prepaid items	475	86	561
Total current assets	<u>767,285</u>	<u>495,772</u>	<u>1,263,057</u>
Noncurrent assets:			
Net pension asset	59,169	-	59,169
Capital assets:			
Land	-	101,298	101,298
Construction in progress	64,350	-	64,350
Property and equipment	8,963,105	637,393	9,600,498
Less accumulated depreciation	<u>(2,820,941)</u>	<u>(539,041)</u>	<u>(3,359,982)</u>
Total noncurrent assets	<u>6,265,683</u>	<u>199,650</u>	<u>6,465,333</u>
Total assets	<u>7,032,968</u>	<u>695,422</u>	<u>7,728,390</u>
Deferred Outflows of Resources			
Pension related amounts	<u>86,834</u>	-	<u>86,834</u>
Total deferred outflows of resources	<u>86,834</u>	-	<u>86,834</u>
Liabilities			
Current liabilities:			
Accounts payable	931	600	1,531
Customer deposits	50,000	-	50,000
Accrued liabilities	<u>1,648</u>	<u>165</u>	<u>1,813</u>
Total current liabilities	<u>52,579</u>	<u>765</u>	<u>53,344</u>
Total liabilities	<u>52,579</u>	<u>765</u>	<u>53,344</u>
Deferred Inflows of Resources			
Pension related amounts	<u>111,639</u>	-	<u>111,639</u>
Total deferred inflows of resources	<u>111,639</u>	-	<u>111,639</u>
Net Position			
Net investment in capital assets	6,206,514	199,650	6,406,164
Restricted for pension	59,169	-	59,169
Unrestricted	<u>689,901</u>	<u>495,007</u>	<u>1,184,908</u>
Total net position	<u>\$ 6,955,584</u>	<u>\$ 694,657</u>	<u>\$ 7,650,241</u>

City of River Falls

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

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Operating Revenues			
Public charges for services	\$ 582,301	\$ 337,322	\$ 919,623
Total operating revenues	<u>582,301</u>	<u>337,322</u>	<u>919,623</u>
Operating Expenses			
Operation and maintenance	593,210	531,905	1,125,115
Depreciation	<u>178,384</u>	<u>26,870</u>	<u>205,254</u>
Total operating expenses	<u>771,594</u>	<u>558,775</u>	<u>1,330,369</u>
Operating income (loss)	<u>(189,293)</u>	<u>(221,453)</u>	<u>(410,746)</u>
Nonoperating Revenues (Expenses)			
Investment income	1,111	839	1,950
Interest and fiscal charges	<u>(2,117)</u>	-	<u>(2,117)</u>
Miscellaneous	<u>2,591</u>	<u>11,461</u>	<u>14,052</u>
Total nonoperating revenues (expenses)	<u>1,585</u>	<u>12,300</u>	<u>13,885</u>
Income (loss) before transfers	<u>(187,708)</u>	<u>(209,153)</u>	<u>(396,861)</u>
Transfers			
Transfers to other funds	<u>(39,293)</u>	<u>(13,587)</u>	<u>(52,880)</u>
Total transfers	<u>(39,293)</u>	<u>(13,587)</u>	<u>(52,880)</u>
Change in net position	<u>(227,001)</u>	<u>(222,740)</u>	<u>(449,741)</u>
Net Position, Beginning	<u>7,182,585</u>	<u>917,397</u>	<u>8,099,982</u>
Net Position, Ending	<u>\$ 6,955,584</u>	<u>\$ 694,657</u>	<u>\$ 7,650,241</u>

City of River Falls

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

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Received from customers	\$ 576,669	\$ 680,113	\$ 1,256,782
Paid to suppliers for goods and services	(484,324)	(604,502)	(1,088,826)
Paid to employees for services	(141,357)	(8,220)	(149,577)
Net cash flows from operating activities	(49,012)	67,391	18,379
Cash Flows From Investing Activities			
Investment income			
Net cash flows from investing activities	1,111	839	1,950
Cash Flows From Noncapital Financing Activities			
Transfers to other funds	1,111	839	1,950
Net cash flows from noncapital financing activities	(39,293)	(13,587)	(52,880)
Cash Flows From Capital and Related Financing Activities			
Interest paid	(39,293)	(13,587)	(52,880)
Proceeds from sale/transfer of capital assets	(2,117)	-	(2,117)
Net cash flows from capital and related financing activities	-	6,718	6,718
Net change in cash and cash equivalents	(2,117)	6,718	4,601
Cash and Cash Equivalents, Beginning	(89,311)	61,361	(27,950)
Cash and Cash Equivalents, Ending	803,782	90,563	894,345
Cash and Cash Equivalents, Ending	\$ 714,471	\$ 151,924	\$ 866,395
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	\$ (189,293)	\$ (221,453)	\$ (410,746)
Nonoperating revenue	2,591	11,461	14,052
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation	178,384	26,870	205,254
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	6,777	331,330	338,107
Prepaid items	(140)	(86)	(226)
Accounts payable	(13,439)	(3,351)	(16,790)
Accrued liabilities	(114)	(77)	(191)
Due to other funds	-	(77,303)	(77,303)
Customer deposits	(15,000)	-	(15,000)
Pension related deferrals and asset/liability	(18,778)	-	(18,778)
Net cash flows from operating activities	(49,012)	67,391	18,379
Noncash Capital and Related Financing Activities			
Capital assets contributed by developers	-	-	-
Capital assets contributed to the City	-	-	-

City of River Falls

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

	City Hall	Motor Pool	Technology
Assets			
Current assets:			
Cash and investments	\$ 145,081	\$ 446	\$ 131,090
Other receivables	1,754	-	-
Prepaid items	2,540	94	9,215
Total current assets	149,375	540	140,305
Noncurrent assets:			
Net pension asset	-	-	51,895
Capital assets:			
Property and equipment	-	18,075	525,268
Less accumulated depreciation	-	(10,543)	(427,130)
Total noncurrent assets	-	7,532	150,033
Total assets	149,375	8,072	290,338
Deferred Outflows of Resources			
Pension related amounts	-	-	93,253
Total deferred outflows of resources	-	-	93,253
Liabilities			
Current liabilities:			
Accounts payable	9,057	163	4,107
Accrued liabilities	-	-	3,712
Due to other funds	-	24,192	-
Total current liabilities	9,057	24,355	7,819
Total liabilities	9,057	24,355	7,819
Deferred Inflows of Resources			
Pension related amounts	-	-	135,967
Net Position			
Net investment in capital assets	-	7,532	98,138
Restricted for pension	-	-	51,895
Unrestricted (deficit)	140,318	(23,815)	89,772
Total net position	\$ 140,318	\$ (16,283)	\$ 239,805

City of River Falls

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

<u>Maintenance</u>	<u>Total</u>
\$ 45,361	\$ 321,978
-	1,754
503	12,352
<u>45,864</u>	<u>336,084</u>
77,292	129,187
-	543,343
-	(437,673)
<u>77,292</u>	<u>234,857</u>
<u>123,156</u>	<u>570,941</u>
117,032	210,285
<u>117,032</u>	<u>210,285</u>
352	13,679
4,107	7,819
-	24,192
<u>4,459</u>	<u>45,690</u>
<u>4,459</u>	<u>45,690</u>
169,743	305,710
-	105,670
77,292	129,187
(11,306)	194,969
<u>\$ 65,986</u>	<u>\$ 429,826</u>

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	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
Operating Revenues			
Public charges for services	\$ 263,301	\$ -	\$ 38,700
Total operating revenues	<u>263,301</u>	<u>-</u>	<u>38,700</u>
Operating Expenses			
Operation and maintenance	175,507	24,950	603,453
Depreciation expense	-	3,615	49,125
Total operating expenses	<u>175,507</u>	<u>28,565</u>	<u>652,578</u>
Operating income (loss)	<u>87,794</u>	<u>(28,565)</u>	<u>(613,878)</u>
Nonoperating Revenues			
Investment income	581	-	5
Miscellaneous	-	-	44
Total nonoperating revenues	<u>581</u>	<u>-</u>	<u>49</u>
Income (loss) before transfers	<u>88,375</u>	<u>(28,565)</u>	<u>(613,829)</u>
Transfers			
Transfers from other funds	136,240	21,453	695,310
Transfers to other funds	(228,852)	(1,174)	(28,620)
Total transfers	<u>(92,612)</u>	<u>20,279</u>	<u>666,690</u>
Change in net position	<u>(4,237)</u>	<u>(8,286)</u>	<u>52,861</u>
Net Position (Deficit), Beginning	<u>144,555</u>	<u>(7,997)</u>	<u>186,944</u>
Net Position (Deficit), Ending	<u>\$ 140,318</u>	<u>\$ (16,283)</u>	<u>\$ 239,805</u>

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City of River Falls

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

Maintenance	Total
\$ -	\$ 302,001
-	302,001
290,842	1,094,752
-	52,740
290,842	1,147,492
(290,842)	(845,491)
-	586
76	120
76	706
(290,766)	(844,785)
379,990	1,232,993
(58,352)	(316,998)
321,638	915,995
30,872	71,210
35,114	358,616
\$ 65,986	\$ 429,826

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	City Hall	Motor Pool	Technology
Cash Flows From Operating Activities			
Received from customers	\$ 261,547	\$ -	\$ 38,786
Paid to suppliers for goods and services	(169,472)	(20,364)	(438,974)
Paid to employees for services	-	-	(171,697)
Net cash flows from operating activities	92,075	(20,364)	(571,885)
Cash Flows From Investing Activities			
Investment income	581	-	5
Net cash flows from investing activities	581	-	5
Cash Flows From Noncapital Financing Activities			
Transfers to/from other funds	(92,612)	20,279	666,690
Net cash flows from noncapital financing activities	(92,612)	20,279	666,690
Net change in cash and cash equivalents	44	(85)	94,810
Cash and Cash Equivalents, Beginning	145,037	531	36,280
Cash and Cash Equivalents, Ending	145,081	446	131,090
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ 87,794	\$ (28,565)	\$ (613,878)
Nonoperating revenue	-	-	44
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	3,615	49,125
Changes in assets and liabilities:			
Other receivables	(1,754)	-	42
Prepaid items	536	(8)	3,563
Due from other funds	-	4,500	-
Accounts payable	5,499	94	79
Accrued liabilities	-	-	1,457
Pension related deferrals and asset/liability	-	-	(12,317)
Net cash flows from operating activities	92,075	(20,364)	(571,885)
Noncash Capital and Related Financing Activities			
None			

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City of River Falls

Balance Sheet
Governmental Component Unit
December 31, 2021

Maintenance	Total
\$ 1,212	\$ 301,545
(106,019)	(734,829)
(206,353)	(378,050)
(311,160)	(811,334)
-	586
-	586
321,638	915,995
321,638	915,995
10,478	105,247
34,883	216,731
\$ 45,361	\$ 321,978
\$ (290,842)	\$ (845,491)
76	120
-	52,740
1,136	(576)
5	4,096
-	4,500
7	5,679
853	2,310
(22,395)	(34,712)
\$ (311,160)	\$ (811,334)

	Business Improvement District
Assets	
Cash and investments	\$ 57,683
Special assessments receivable	42,000
Total assets	\$ 99,683
Deferred Inflows of Resources	
Unavailable revenue	\$ 42,000
Total deferred inflows of resources	42,000
Fund Balances	
Unassigned	57,683
Total deferred inflows of resources and fund balances	\$ 99,683
Reconciliation of Fund Balance to Net Position	
Fund balance at year-end	\$ 57,683
Special assessments are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	42,000
Net position at year end	\$ 99,683

City of River Falls

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

Revenues

Special assessments

Total revenues

Expenditures

Conservation and development

Total expenditures

Change in fund balance

Fund Balance, Beginning

Fund Balance, Ending

Reconciliation of Change in Fund Balance to Change in Net Position

Change in fund balance

Special assessments not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Change in net position

Business Improvement District

\$ 42,000

42,000

30,396

30,396

11,604

46,079

\$ 57,683

\$ 11,604

\$ 11,604

City of River Falls

Electric Utility Plant
Year Ended December 31, 2021

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021

Hydraulic Production

Land and land rights	\$ 15,310	\$ -	\$ -	\$ 15,310
Structures and improvements	43,697	-	-	43,697
Reservoirs, dams and waterways	850,101	-	-	850,101
Water wheels, turbines, and generators	27,976	-	-	27,976
Accessory electric equipment	7,657	-	-	7,657
Miscellaneous power equipment	2,748	-	-	2,748

Total hydraulic

	947,489	-	-	947,489

Other Production

Land and land rights	25,248	-	-	25,248
Structures and improvements	1,224,829	-	-	1,224,829
Generators	36,000	-	-	36,000

Total production

	1,286,077	-	-	1,286,077

Transmission

Land and land rights	2,302	-	-	2,302
Station equipment	1,592,858	-	-	1,592,858
Poles and fixtures	336,070	-	-	336,070
Overhead conductors and devices	719,015	-	-	719,015
Underground conductors and devices	28,532	-	-	28,532

Total transmission

	2,678,777	-	-	2,678,777

Distribution

Land and land rights	78,544	-	-	78,544
Structures and improvements	1,247,826	-	-	1,247,826
Station equipment	4,132,000	-	-	4,132,000
Storage battery equipment	31,236	-	-	31,236
Poles, towers, and fixtures	1,873,533	30,425	2,965	1,900,993
Overhead conductors	1,857,862	23,957	10,678	1,871,141
Underground conduit	1,258,920	152,402	1,970	1,409,352
Underground conductors	7,672,727	425,521	55,225	8,043,023
Transformers	2,949,806	176,085	31,836	3,094,055
Services	1,577,615	62,488	1,559	1,638,544
Meters	1,758,588	346,284	318,477	1,786,395
Street lighting and signal systems	1,621,575	28,458	11,053	1,638,980

Total distribution

	25,860,232	1,245,620	433,763	26,672,089

City of River Falls

Electric Utility Plant

Year Ended December 31, 2021

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

City of River Falls

Electric Utility Operating Revenues and Expenses

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Sales of electricity:		
Residential and rural	\$ 6,593,125	\$ 5,760,033
Small commercial and industrial	1,444,231	1,259,427
Large commercial and industrial	3,955,738	3,633,001
Public street and lighting	227,037	220,472
Other sales to public authorities	2,622,455	2,103,150
Total sales of electricity	14,842,586	12,976,083
Other operating revenues:		
Forfeited discounts	24,931	24,184
Miscellaneous service revenues	3,741	1,804
Rent from electric property	39,211	38,052
Other miscellaneous revenues	261,985	323,187
Total operating revenues	15,172,454	13,363,310
Operating Expenses		
Power production:		
Hydraulic power generation		
Operation:		
Operating and supervision	273,367	325,342
Hydraulic	6,814	11,750
Miscellaneous	32,009	20,640
Total hydraulic power generation	312,190	357,732
Purchased power	10,149,386	9,082,812
Total power production	10,461,576	9,440,544
Transmission		
Operation:		
Station	3,416	1,864
Overhead lines	39,771	37,226
Maintenance:		
Overhead lines	4,247	8,244
Total transmission	47,434	47,334

City of River Falls

Electric Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Distribution:		
Operation:		
Operation supervision and engineering	\$ 165,444	\$ 128,760
Station	83,933	50,280
Overhead line	129,678	129,610
Underground line	140,596	129,105
Street lighting and signal	1,931	3,688
Meter expenses	78,656	60,348
Miscellaneous	237,165	134,576
Maintenance:		
Structures	31,459	22,510
Station equipment	20,760	10,183
Overhead line	27,139	43,718
Underground line	64,978	54,845
Line transformers	15,029	15,597
Street lighting and signal	16,239	17,070
Total distribution	<u>1,013,007</u>	<u>800,310</u>
Customer accounts:		
Meter reading	22,384	19,557
Accounting and collecting labor	186,920	182,703
Customer Service & Informational	165,945	111,350
Total customer accounts	<u>375,249</u>	<u>313,610</u>
Sales:		
Advertising	<u>8,715</u>	<u>5,765</u>
Administrative and General:		
Salaries	198,244	207,724
Office supplies	1,430	2,874
Outside services employed	20,304	27,797
Insurance	49,778	39,022
Employee pensions and benefits	219,451	283,330
Miscellaneous	38,540	178,508
Rents	62,633	65,044
Total administrative and general	<u>590,380</u>	<u>804,299</u>
Taxes	<u>104,102</u>	<u>98,958</u>
Total operation and maintenance	<u>12,600,463</u>	<u>11,510,820</u>
Depreciation	<u>1,146,752</u>	<u>1,338,170</u>
Total operating expenses	<u>13,747,215</u>	<u>12,848,990</u>
Operating income	<u>\$ 1,425,239</u>	<u>\$ 514,320</u>

City of River Falls

Water Utility Plant
Year Ended December 31, 2021

	Balance 11/1/2021	Additions	Retirements	Balance 12/31/2021
Source of Supply				
Land and land rights	\$ 2,708	\$ -	\$ -	\$ 2,708
Wells and springs	881,451	-	-	881,451
Total source of supply	<u>884,159</u>	<u>-</u>	<u>-</u>	<u>884,159</u>
Pumping				
Structures and improvements	1,432,137	-	-	1,432,137
Other power production equipment	215,385	-	-	215,385
Electric pumping equipment	420,706	29,235	3,157	446,784
Diesel pumping equipment	29,465	-	-	29,465
Total pumping	<u>2,097,693</u>	<u>29,235</u>	<u>3,157</u>	<u>2,123,771</u>
Water Treatment				
Water treatment equipment	49,671	-	-	49,671
Transmission and Distribution				
Land and land rights	20,412	-	-	20,412
Structures and improvements	15,864	-	-	15,864
Distribution reservoirs and standpipe	869,263	-	-	869,263
Transmission and distribution main	10,297,865	36,473	561	10,333,777
Services	2,508,869	6,987	293	2,515,563
Meters	1,857,295	89,597	16,482	1,930,410
Hydrants	1,687,188	-	-	1,687,188
Other transmission and distribution plant	831,688	-	-	831,688
Total transmission and distribution plant	<u>18,088,424</u>	<u>133,057</u>	<u>17,336</u>	<u>18,204,145</u>
General				
Structures and improvements	212,455	-	-	212,455
Computers	68,761	-	-	68,761
Office furniture	10,287	-	-	10,287
Transportation equipment	58,597	-	-	58,597
Tools, shop & garage	24,854	-	-	24,854
Laboratory equipment	4,905	-	-	4,905
Power operated equipment	27,310	-	-	27,310
SCADA equipment	152,575	-	-	152,575
Total general	<u>559,744</u>	<u>-</u>	<u>-</u>	<u>559,744</u>
Total and water utility plant	<u>\$ 21,679,691</u>	<u>\$ 162,292</u>	<u>\$ 20,493</u>	<u>\$ 21,821,490</u>

City of River Falls

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Sales of water:		
Residential	\$ 713,673	\$ 699,979
Commercial	123,923	119,738
Multi-family	68,705	59,160
Industrial	32,371	32,076
Public authorities	83,364	72,166
Irrigation	325,833	247,770
Total metered sales	1,347,869	1,230,889
Private fire protection	68,385	63,810
Public fire protection	385,348	376,219
Total sales of water	1,801,602	1,670,918
Other operating revenues:		
Forfeited discounts	2,685	1,108
Rent from water property	131,385	124,914
Other miscellaneous revenues	43,742	52,605
Total operating revenues	1,979,414	1,849,545
Operating Expenses		
Pumping:		
Operation		
Operation supervision and engineering	139	1,376
Fuel or purchased power for pumping	84,033	73,064
Pumping labor	37,005	34,017
Maintenance:		
Structures and improvements	11,348	5,097
Power production equipment	969	5,617
Pumping equipment	26,550	22,570
Total pumping	160,044	141,741
Water treatment:		
Operation		
Operation supervision and engineering	1,753	1,713
Chemicals	34,076	26,675
Operation labor	17,306	31,632
Maintenance:		
Water treatment equipment	18,723	20,718
Total water treatment	71,858	80,738

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City of River Falls

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Expenses		
Transmission and distribution:		
Operation	\$ 65,434	\$ 49,530
Operation supervision and engineering	752	186
Storage facilities	69,264	62,984
Transmission and distribution lines	33,210	18,837
Meters	19,550	14,984
Customer installations	60,302	53,173
Miscellaneous		
Maintenance:		
Supervision and engineering	2,245	4,014
Structures and improvements	4,686	5,182
Reservoirs and standpipes	11,988	6,864
Mains	35,998	18,763
Services	27,026	22,909
Meters	-	183
Hydrants	5,308	18,242
Total transmission and distribution	335,763	275,851
Customer accounts:		
Meter reading	5,128	4,503
Accounting and collecting labor	71,503	66,759
Total customer accounts	76,631	71,262
Sales:		
Advertising	2,415	2,347
Administrative and general:		
Salaries	98,306	81,390
Office supplies	1,121	1,457
Outside services employed	3,119	2,528
Insurance	20,322	12,723
Employee pensions and benefits	87,661	93,471
Miscellaneous	2,594	4,578
Rents	32,080	30,300
Total administrative and general	245,203	226,447
Taxes	21,901	20,393
Total operation and maintenance	913,815	818,779
Depreciation	476,517	468,907
Total operating expenses	1,390,332	1,287,686
Operating income	\$ 589,082	\$ 561,859

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City of River Falls

Sewer Utility Plant
Year Ended December 31, 2021

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
Collecting System				
Collecting mains	\$ 10,497,434	\$ 165,408	\$ 4,099	\$ 10,658,743
Interceptor mains	7,228,480	-	-	7,228,480
Force mains	141,607	-	7,454	134,153
Other collecting system equipment	-	-	-	-
Total collecting system	17,867,521	165,408	11,553	18,021,376
Collecting System Pumping				
Land and land rights	2,384	-	-	2,384
Structures and improvements	330,027	-	-	330,027
Receiving wells	440,113	-	57,161	382,952
Electric pumping equipment	258,339	-	-	258,339
Total collecting system pumping	1,030,863	-	57,161	973,702
Treatment and Disposal				
Land and land rights	115,238	-	-	115,238
Structures and improvements	5,685,474	293,673	1,003,033	4,976,114
Preliminary treatment equipment	643,897	233,028	105,473	771,452
Primary treatment equipment	415,996	11,178	10,530	416,644
Secondary treatment equipment	900,319	1,234,689	194,923	1,940,085
Advanced treatment equipment	137,187	-	-	137,187
Chlorination equipment	108,480	-	43,215	65,265
Sludge treatment and disposal equipment	2,257,100	-	61,876	2,195,224
Plant site piping	1,000,644	-	101,527	899,117
Flow metering and monitoring equipment	78,918	-	75,083	3,835
Other treatment and disposal equipment	52,434	-	52,434	-
Total treatment and disposal	11,258,500	1,909,755	1,648,094	11,520,161
General				
Structures and improvements	2,266,595	-	-	2,266,595
Office furniture	10,287	-	-	10,287
Computers	53,107	-	-	53,107
Transportation equipment	366,007	-	-	366,007
Other general equipment	264,265	-	-	264,265
SCADA equipment	265,830	-	-	265,830
Total general	3,226,091	-	-	3,226,091
Intangibles				
	98,839	-	7,487	91,352
Total sewer utility plant	\$ 33,481,814	\$ 2,075,163	\$ 1,724,295	\$ 33,832,682

City of River Falls

Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Sales of wastewater:		
Residential	\$ 2,197,620	\$ 2,164,954
Commercial	400,693	372,343
Multi-family	295,762	254,017
Industrial	161,357	162,309
Public authorities	289,806	235,739
Total wastewater sales	3,345,238	3,189,362
Other operating revenues:		
Forfeited discounts	5,606	2,340
Other miscellaneous revenues	34,523	13,583
Total operating revenues	3,385,367	3,205,285
Operating Expenses		
Operation:		
Operation supervision and engineering	143,363	139,094
Power and fuel for pumping	39,057	29,013
Power and fuel for aeration equipment	163,050	157,867
Treatment charges	367,088	402,464
Chlorine	4,939	4,482
Phosphorous & Sludge removal	11,369	6,393
Other operating supplies	43,167	25,777
Transportation	13,877	11,293
Total operations	785,910	776,383
Maintenance:		
Collection system	85,006	305,462
Pumping equipment	30,964	29,187
Treatment and disposal plant equipment	86,222	142,245
General plant structures equipment	102,018	71,719
Total maintenance	304,210	548,613
Customer accounts:		
Accounting and collecting labor	160,280	133,598
Sales:		
Advertising	2,515	2,447
Administrative and General:		
Salaries	153,447	139,789
Office supplies	3,703	7,531
Outside services employed	4,677	10,994
Insurance	28,538	20,865
Employee pensions and benefits	139,074	189,770

City of River Falls

Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

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

City of River Falls
Insurance Summary

Year Ended December 31, 2021

Description	Insurer	Policy Number	Coverage Limits	Deductible	Policy Period
Property	Travelers Prop Casualty Co of America	630-7057507	\$75,169,721	\$5,000 - \$100,000	8/1/21-8/1/22
Crime	Travelers Prop Casualty Co of America	630-7057507	500,000	\$5,000	8/1/21-8/1/22
Equipment Floater	Travelers Prop Casualty Co of America	630-7057507	\$3,849,437	\$1,000 - \$50,000	8/1/21-8/1/22
General Liability	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	NA	8/1/21-8/1/22
Law Enforcement Liability	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	\$5,000	8/1/21-8/1/22
Employee Benefits	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$3,000,000	\$1,000	8/1/21-8/1/22
Management Liability	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	\$5,000/\$50,000	8/1/21-8/1/22
Management Liability-Related to Practices	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	\$10,000	8/1/21-8/1/22
Business Automobile	The Charter Oak Fire Insurance Co	810-2C413439	\$2,000,000	\$1,000 - \$2,500	8/1/21-8/1/22
Commercial Umbrella	Travelers Prop Casualty Co of America	ZUP-911M84121	\$5,000,000	NA	8/1/21-8/1/22
Workers Compensation	The Travelers Indemnity Co of CT	UB-8L703398	\$500,000	NA	8/1/21-8/1/22
Equipment Breakdown	Travelers Prop Casualty Co of America	BME1-7J262816-TL-21	\$50,000,000	\$5,000 - \$50,000	8/1/21-8/1/22
Cyber & Privacy Liability	Axis Insurance Company	P-001-000031656-04	\$2,000,000	\$25,000 (retention)	8/1/21-8/1/22

City of River Falls

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

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

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

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

FORM OF LEGAL OPINION

(See following pages.)

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

October 18, 2022

Re: City of River Falls, Wisconsin ("Issuer")
\$5,155,000 General Obligation Sewerage Bonds, Series 2022C,
dated October 18, 2022 ("Bonds")

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

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

The Bonds are 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:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$200,000	____%
2024	195,000	____
2025	205,000	____
2026	210,000	____
2027	215,000	____
2028	220,000	____
2029	230,000	____
2030	235,000	____
2031	245,000	____
2032	255,000	____
2033	265,000	____
2034	275,000	____
2035	285,000	____
2036	295,000	____
2037	305,000	____
2038	325,000	____
2039	335,000	____
2040	275,000	____
2041	285,000	____
2042	300,000	____

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

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

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

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

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

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

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

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

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

QUARLES & BRADY LLP

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.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "Issuer") in connection with the issuance of \$5,155,000 General Obligation Sewerage Bonds, Series 2022C, dated October 18, 2022 (the "Securities"). The Securities are being issued pursuant to resolutions adopted on August 23, 2022 and September 27, 2022 (collectively, the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

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

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

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

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

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

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

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

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

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

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

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

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

"SEC" means the Securities and Exchange Commission.

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

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

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

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

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. 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 18th day of October, 2022.

(SEAL)

Danial H. Toland
Mayor

Amy White
City Clerk

NOTICE OF SALE

\$5,155,000* GENERAL OBLIGATION SEWERAGE BONDS, SERIES 2022C CITY OF RIVER FALLS, WISCONSIN

Bids for the purchase of \$5,155,000* General Obligation Sewerage Bonds, Series 2022C (the "Bonds") of the City of River Falls, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on September 27, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 67.04, Wisconsin Statutes, for the public purpose of paying the cost of sewerage projects. The Bonds 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 Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

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

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$200,000	2030	\$235,000	2037	\$305,000
2024	195,000	2031	245,000	2038	325,000
2025	205,000	2032	255,000	2039	335,000
2026	210,000	2033	265,000	2040	275,000
2027	215,000	2034	275,000	2041	285,000
2028	220,000	2035	285,000	2042	300,000
2029	230,000	2036	295,000		

ADJUSTMENT OPTION

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

TERM BOND OPTION

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

INTEREST PAYMENT DATES AND RATES

Interest will be payable on October 1 and April 1 of each year, commencing April 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

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

PAYING AGENT

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

OPTIONAL REDEMPTION

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

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

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

DELIVERY

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

LEGAL MATTERS

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

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

SUBMISSION OF BIDS

Bids must not be for less than \$5,090,562.50 nor more than \$5,258,100.00 plus accrued interest on the principal sum of \$5,155,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

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

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

A good faith deposit ("Deposit") in the amount of \$103,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

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

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

AWARD

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

BOND INSURANCE

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

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

CUSIP NUMBERS

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

NEW ISSUE PRICING

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

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

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive

sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

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

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

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

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

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

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

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

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

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

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

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

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

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

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

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

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

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

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

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

(i) "public" means any person other than an underwriter or a related party,

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

PRELIMINARY OFFICIAL STATEMENT

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

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

By Order of the Common Council

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

BID FORM

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

September 27, 2022

RE: \$5,155,000* General Obligation Sewerage Bonds, Series 2022C (the "Bonds")
DATED: October 18, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$5,090,562.50 nor more than \$5,258,100.00) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

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

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

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

A good faith deposit ("Deposit") in the amount of \$103,100 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about October 18, 2022.

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

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

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

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

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

Account Manager: _____ By: _____

Account Members:

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

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

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



MEMORANDUM

TO: Mayor Toland and City Council Members

FROM: Josh Solinger, Finance Director

DATE: September 27, 2022

TITLE: Resolution Authorizing the Issuance and Sale of \$5,995,000 Water System Revenue Bonds, Series 2022D of the City of River Falls, Pierce and St. Croix Counties, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds

RECOMMENDED ACTION

Approve the sale of \$5,995,000 in Water System Revenue Bonds to finance costs of the north zone water tower, the Water Utility's share of the north utility loop project, and to refinance the outstanding amount of 2011A Water System Revenue Bonds.

BACKGROUND

In August 2022, the City Council authorized the sale of bonds to finance the Water Utility's costs for the north zone water tower, north utility loop project, and to refinance the Utility's 2011A bonds. Following adoption of the initial resolutions, an Official Statement was prepared to solicit bids and a credit rating was requested from Moody's.

DISCUSSION

The bids will be received on Tuesday, September 27, and available at the Council meeting. A final resolution reflecting the recommended bid will be distributed at the City Council meeting.

FINANCIAL CONSIDERATIONS

The Official Statement contains a table of planned principal installments for the City's borrowing. A complete amortization schedule, including interest payments, will be prepared after bids are received during the day on September 27 and available at the Council meeting.

The tables below provide the planned principal installments as well as the Water Utility's estimated revenue debt coverage for each year of the amortization schedule. City policy requires revenue debt coverage of at least 1.50, which Ehlers advised is a benchmark well above average from the perspective of a potential bidder.

Table 1. Planned Principal Installments

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

Table 2. Revenue Debt Coverage

<u>Year</u>	<u>Coverage</u>	<u>Year</u>	<u>Coverage</u>	<u>Year</u>	<u>Coverage</u>
2023	6.64	2030	2.02	2037	2.86
2024	2.00	2031	2.25	2038	2.88
2025	2.00	2032	2.85	2039	2.86
2026	2.00	2033	2.88	2040	2.85
2027	2.00	2034	2.87	2041	2.85
2028	1.98	2035	2.88	2042	2.86
2029	1.99	2036	2.84		

CONCLUSION

Sean Lentz will be available on behalf of Ehlers to present the bid results and make a recommendation to the Council.

RESOLUTION NO. _____

A RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF
\$5,995,000 WATER SYSTEM REVENUE BONDS, SERIES 2022D
OF THE CITY OF RIVER FALLS, PIERCE AND ST. CROIX COUNTIES, WISCONSIN,
AND PROVIDING FOR THE PAYMENT OF THE BONDS AND
OTHER DETAILS WITH RESPECT TO THE BONDS

WHEREAS, the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "City") owns and operates its Water System (the "System") which is operated for a public purpose as a public utility; and

WHEREAS, under the provisions of Section 66.0621, Wisconsin Statutes, any municipality in the State of Wisconsin may, by action of its governing body, provide funds for extending, adding to and improving a public utility or refunding obligations issued to finance such additions, improvements and extensions from the proceeds of bonds, which bonds are payable only from the income and revenues of such utility and are secured by a pledge of the revenues of the utility; and

WHEREAS, the City has determined that certain additions, improvements and extensions to the System (the "Project") are necessary to adequately supply the needs of the City and the residents thereof; and

WHEREAS, pursuant to a resolution adopted on June 14, 2011, the City has heretofore issued its Water System Revenue Bonds, Series 2011A, dated July 6, 2011 (the "Refunded Obligations"), which bonds are payable from the Revenues of the System; and

WHEREAS, the City has determined that it is necessary and desirable to refund the Refunded Obligations for the purpose of achieving debt service savings (the "Refunding"); and

WHEREAS, it is necessary, desirable and in the best interests of the City to authorize and sell revenue bonds for such purposes payable solely from the Revenues of the System, which bonds are to be authorized and issued pursuant to the provisions of Section 66.0621, Wisconsin Statutes; and

WHEREAS, the City has directed its financial advisor, Ehlers & Associates, Inc. ("Ehlers") to take the steps necessary to sell such revenue bonds; and

WHEREAS, Ehlers, in consultation with the officials of the City, prepared a Notice of Sale (a copy of which is attached hereto as Exhibit A and incorporated herein by this reference) setting forth the details of and the bid requirements for the bonds and indicating that the bonds would be offered for public sale on September 27, 2022; and

WHEREAS, the City Clerk (in consultation with Ehlers) caused a form of notice of the sale to be published and/or announced and caused the Notice of Sale to be distributed to potential bidders offering the bonds for public sale on September 27, 2022; and

WHEREAS, the City has duly received bids for the bonds as described on the Bid Tabulation attached hereto as Exhibit B and incorporated herein by this reference (the "Bid Tabulation"); and

WHEREAS, it has been determined that the bid proposal (the "Proposal") submitted by the financial institution listed first on the Bid Tabulation fully complies with the bid requirements set forth in the Notice of Sale and is deemed to be the most advantageous to the City. Ehlers has recommended that the City accept the Proposal. A copy of said Proposal submitted by such institution (the "Purchaser") is attached hereto as Exhibit C and incorporated herein by this reference; and

WHEREAS, other than the Refunded Obligations, the City has no bonds or obligations outstanding which are payable from the Revenues of the System.

NOW, THEREFORE, the Common Council of the City of River Falls, Pierce and St. Croix Counties, Wisconsin, do resolve that:

Section 1A. Ratification of the Notice of Sale and Offering Materials. The Common Council of the City hereby ratifies and approves the details of the Bonds set forth in Exhibit A attached hereto as and for the details of the Bonds. The Notice of Sale and any other offering materials prepared and circulated by Ehlers are hereby ratified and approved in all respects. All actions taken by officers of the City and Ehlers in connection with the preparation and distribution of the Notice of Sale, and any other offering materials are hereby ratified and approved in all respects.

Section 1B. Authorization of Bonds. For the purpose of paying the cost of the Project and the Refunding, the City shall borrow on the credit of the Revenues of the System the sum of \$5,995,000. Negotiable, fully-registered bonds of the City, in the denomination of \$5,000, or any whole multiple thereof, shall be issued in evidence thereof. The Bonds shall be designated "Water System Revenue Bonds, Series 2022D", shall be numbered from R-1 upward and shall be dated October 18, 2022. The Bonds shall bear interest at the rates per annum set forth in the Proposal and shall mature on May 1 of each year, in the years and principal amounts as set forth on the Pricing Summary attached hereto as Exhibit D-1 and incorporated herein by this reference.

Interest on the Bonds shall be payable on May 1 and November 1 of each year, commencing May 1, 2023. Interest shall be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to the rules of the Municipal Securities Rulemaking Board.

The schedule of principal and interest payments due on the Bonds is set forth on the Debt Service Schedule attached hereto as Exhibit D-2 and incorporated herein by this reference (the "Schedule").

The Bonds maturing on May 1, 2031, and thereafter shall be subject to redemption prior to maturity, at the option of the City, on May 1, 2030, or on any date thereafter. Said Bonds

shall be redeemable as a whole or in part, and if in part, from maturities selected by the City and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption. [If the Proposal specifies that any of the Bonds are subject to mandatory redemption, the terms of such mandatory redemption are set forth on an attachment hereto as Exhibit MRP and incorporated herein by this reference. Upon the optional redemption of any of the Bonds subject to mandatory redemption, the principal amount of such Bonds so redeemed shall be credited against the mandatory redemption payments established in Exhibit MRP for such Bonds in such manner as the City shall direct.]

The Common Council hereby finds that the Refunding is advantageous and necessary to the City.

The schedule of maturities is found to be such that the amount of annual debt service payments is reasonable in accordance with prudent municipal utility practices.

The Bonds, together with interest thereon, shall not constitute an indebtedness of the City nor a charge against its general credit or taxing power. The Bonds, together with interest thereon, shall be payable only out of the Special Redemption Fund hereinafter provided, and shall be a valid claim of the registered owner or owners thereof only against the Special Redemption Fund and the Revenues pledged to such Fund. Sufficient Revenues are pledged to the Special Redemption Fund, and shall be used for no other purpose than to pay the principal of and interest on the Bonds and Parity Bonds as the same fall due.

Section 2. Form of the Bonds. The Bonds shall be issued in registered form and shall be executed and delivered in substantially the form attached hereto as Exhibit E and incorporated herein by this reference.

Section 3. Definitions. In addition to the words defined elsewhere in this Resolution, the following words shall have the following meanings unless the context or use indicates another or different meaning or intent:

"Annual Debt Service Requirement" means the total amount of principal and interest due in any Fiscal Year on the Bonds and Parity Bonds.

"Bond Year" means the one year period ending on a principal payment date or mandatory redemption date for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"DTC" means The Depository Trust Company, New York, New York, or any successor securities depository for the City with respect to the Bonds.

"Fiscal Year" means the fiscal year adopted by the City for the System, which is currently the calendar year.

"Net Revenues" means the Revenues minus all Operation and Maintenance Expenses of the System.

"Operation and Maintenance Expenses" means the reasonable and necessary costs of operating, maintaining, administering and repairing the System, including salaries, wages, costs

of materials and supplies, insurance and audits, but excluding depreciation, debt service, tax equivalents and capital expenditures.

"Parity Bonds" means additional bonds or obligations issued on a parity as to pledge and lien with the Bonds in accordance with the provisions of Section 7 of this Resolution.

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

"Regulations" means the Regulations of the Commissioner of Internal Revenue under the Code.

"Revenues" means all income and revenue derived from operation of the System, including the revenues received from the City for services rendered to it and all moneys received from any other source, including income derived from investments and any moneys appropriated by the Common Council pursuant to Section 5 herein.

"System" means the entire water system of the City specifically including that portion of the Project owned by the City and including all property of every nature now or hereafter owned by the City for the extraction, collection, storage, treatment, transmission, distribution, metering and discharge of industrial and potable public water, including all improvements and extensions thereto made by the City while any of the Bonds and Parity Bonds remain outstanding, including all real and personal property of every nature comprising part of or used or useful in connection with such water system and including all appurtenances, contracts, leases, franchises and other intangibles.

Section 4. Income and Revenue Funds. When the Bonds shall have been delivered in whole or in part, the Revenues shall be set aside into the following separate and special funds, which funds were created by a resolution adopted on June 14, 2011 and which are continued by this resolution, to be used and applied as described below:

- Revenues in amounts sufficient to provide for the reasonable and proper operation and maintenance of the System through the payment of Operation and Maintenance Expenses shall be set aside into the Water System Operation and Maintenance Fund (the "Operation and Maintenance Fund").

- Revenues in amounts sufficient to pay the principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement shall be set aside into the Water System Revenue Bond and Interest Special Redemption Fund (the "Special Redemption Fund"), to be applied to the payment of the principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement. The monies standing in the Special Redemption Fund are irrevocably pledged to the payment of principal of and interest on the Bonds and Parity Bonds.

- Revenues in amounts sufficient to provide a proper and adequate depreciation account for the System shall be set aside into the Water System Depreciation Fund (the "Depreciation Fund").

The Operation and Maintenance Fund and Depreciation Fund shall be deposited as received in public depositories to be selected by the Common Council in the manner required by Chapter 34, Wisconsin Statutes and may be invested in legal investments subject to the provisions of Section 66.0603(1m), Wisconsin Statutes.

Money in the Operation and Maintenance Fund shall be used to pay Operation and Maintenance Expenses as the same come due; money not immediately required for Operation and Maintenance Expenses shall be used to accumulate a reserve in the Operation and Maintenance Fund equal to estimated Operation and Maintenance Expenses for one month. Any money then available and remaining in the Operation and Maintenance Fund may be transferred to the Surplus Fund, which fund is hereby continued.

Revenues shall be deposited in the Depreciation Fund each month until such amount as the Common Council may from time to time determine to constitute an adequate and reasonable depreciation account for the System (the "Depreciation Requirement") is accumulated therein. Money in the Depreciation Fund shall be available and shall be used, whenever necessary, to restore any deficiency in the Special Redemption Fund and for the maintenance of the Reserve Account therein. When the Special Redemption Fund is sufficient for its purpose, funds in the Depreciation Fund may be expended for repairs, replacements, new construction, extensions or additions to the System. Any money on deposit in the Depreciation Fund in excess of the Depreciation Requirement which is not required during the current Fiscal Year for the purposes of the Depreciation Fund, may be transferred to the Surplus Fund.

It is the express intent and determination of the Common Council that the amount of Revenues to be set aside and paid into the Special Redemption Fund (including the Reserve Account) shall in any event be sufficient to pay principal of and interest on the Bonds and Parity Bonds and to meet the Reserve Requirement, and the City Treasurer shall each Fiscal Year deposit at least sufficient Revenues in the Special Redemption Fund to pay promptly all principal and interest falling due on the Bonds and Parity Bonds and to meet the Reserve Requirement.

The Revenues so set aside for payment of the principal of and interest on the Bonds and Parity Bonds shall be set apart and shall be paid into the Special Redemption Fund not later than the 10th day of each month. The amount deposited each month shall be not less than one-sixth of the interest next coming due, plus one-twelfth of the principal next maturing.

The minimum amounts to be so deposited for debt service on the Bonds are set forth on the Schedule.

The Special Redemption Fund shall be used for no purpose other than the payment of interest upon and principal of the Bonds and Parity Bonds promptly as the same become due and payable or to pay redemption premiums. All money in the Special Redemption Fund shall be deposited in a special account and invested in legal investments subject to Section 66.0603(1m), Wisconsin Statutes, and the monthly payments required to be made to the Special Redemption Fund shall be made directly to such account.

To additionally secure the payment of principal of and interest on the Bonds and Parity Bonds, the Debt Service Reserve Account (the "Reserve Account") is hereby continued within the Special Redemption Fund. The City shall, upon the issuance of the Bonds, deposit an amount sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement into the Reserve Account and such amount shall be maintained therein.

The City covenants and agrees that at any time that the Reserve Account is drawn on and the amount in the Reserve Account shall be less than the Reserve Requirement, an amount equal to one-twelfth of the Reserve Requirement will be paid monthly into the Reserve Account from those funds in the Special Redemption Fund, the Operation and Maintenance Fund, the Depreciation Fund and the Surplus Fund which are in excess of the minimum amounts required by the preceding paragraphs to be paid therein until the Reserve Requirement will again have accumulated in the Reserve Account. No such payments need to be made into the Reserve Account at such times as the monies in the Reserve Account are equal to the highest remaining annual debt service requirement on the Bonds and Parity Bonds secured by the Reserve Account in any Bond Year. If at any time the amount on deposit in the Reserve Account exceeds the Reserve Requirement, the excess shall be transferred to the Special Redemption Fund and used to pay principal and interest on the Bonds and any Parity Bonds secured by the Reserve Account. If for any reason there shall be insufficient funds on hand in the Special Redemption Fund to meet principal or interest becoming due on the Bonds or Parity Bonds secured by the Reserve Account, then all sums then held in the Reserve Account shall be used to pay the portion of interest or principal on such Bonds or Parity Bonds becoming due as to which there would otherwise be default, and thereupon the payments required by this paragraph shall again be made into the Reserve Account until an amount equal to the Reserve Requirement is on deposit in the Reserve Account.

Funds in the Special Redemption Fund in excess of the minimum amounts required to be paid therein plus reserve requirements may be transferred to the Surplus Fund.

Money in the Surplus Fund shall first be used when necessary to meet requirements of the Operation and Maintenance Fund including the one month reserve, the Special Redemption Fund including the Reserve Account, and the Depreciation Fund. Any money then remaining in the Surplus Fund at the end of any Fiscal Year may be used only as permitted and in the order specified in Section 66.0811(2), Wisconsin Statutes. Money thereafter remaining in the Surplus Fund may be transferred to any of the funds or accounts continued by this section.

Section 5. Service to the City. The reasonable cost and value of any service rendered to the City by the System by furnishing water services for public purposes, including reasonable health protection charges, shall be charged against the City and shall be paid by it in monthly installments as the service accrues, out of the current revenues of the City collected or in the process of collection, exclusive of the Revenues, to wit: out of the tax levy of the City made by it to raise money to meet its necessary current expenses. It is hereby found and determined that the reasonable cost and value of such service to the City in each year shall be in an amount

which, together with Revenues of the System, will produce Net Revenues equivalent to not less than 1.25 times the Annual Debt Service Requirement. Such compensation for such service rendered to the City shall, in the manner provided hereinabove, be paid into the separate and special funds described in Section 4 of this Resolution. However, such payment is subject to (a) annual appropriations by the Common Council therefor, (b) approval of the Wisconsin Public Service Commission, a successor to its function, if necessary, and (c) applicable levy limits, if any; and neither this Resolution nor such payment shall be construed as constituting an obligation of the City to make any such appropriation over and above the reasonable cost and value of services rendered to the City or its inhabitants or to make any subsequent payment over and above such reasonable cost and value.

Section 6. Operation of System; City Covenants. It is covenanted and agreed by the City with the owner or owners of the Bonds, and each of them, that:

(a) The City will faithfully and punctually perform all duties with reference to the System required by the Constitution and Statutes of the State of Wisconsin, including the making and collecting of reasonable and sufficient rates lawfully established for services rendered by the System, and will collect and segregate the Revenues of the System and apply them to the respective funds and accounts described hereinabove;

(b) The City will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions, extensions, or improvements that may be made part thereto, except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the Common Council to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund;

(c) The City will cause the Project to be completed as expeditiously as reasonably possible;

(d) The City will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or its Revenues or could impair the security of the Bonds;

(e) The City will maintain in reasonably good condition and operate the System, and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System, so that in each Fiscal Year Net Revenues shall not be less than 125% of the Annual Debt Service Requirement, and so that the Revenues of the System herein agreed to be set aside to provide for the payment of the Bonds and Parity Bonds and the interest thereon as the same becomes due and payable, and to meet the Reserve Requirement, will be sufficient for those purposes;

(f) The City will prepare a budget not less than sixty days prior to the end of each Fiscal Year and, in the event such budget indicates that the Net Revenues for each Fiscal Year will not exceed the Annual Debt Service Requirement for each corresponding Fiscal Year by the proportion stated hereunder, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of Net Revenues to the Annual Debt Service Requirement shall be accomplished as promptly as possible;

(g) The City will keep proper books and accounts relative to the System separate from all other records of the City and will cause such books and accounts to be audited annually by a recognized independent firm of certified public accountants including a balance sheet and a profit and loss statement of the System as certified by such accountants. Each such audit, in addition to whatever matters may be thought proper by the accountants to be included therein shall include the following: (1) a statement in detail of the income and expenditures of the System for the Fiscal Year; (2) a statement of the Net Revenues of the System for such Fiscal Year; (3) a balance sheet as of the end of such Fiscal Year; (4) the accountants' comment regarding the manner in which the City has carried out the requirements of this Resolution and the accountants' recommendations for any changes or improvements in the operation of the System; (5) the number of connections to the System at the end of the Fiscal Year, for each user classification (i.e., residential, commercial, public and industrial); (6) a list of the insurance policies in force at the end of the Fiscal Year setting out as to each policy the amount of the policy, the risks covered, the name of the insurer, and the expiration date of the policy; and (7) the volume of water used; and

(h) So long as any of the Bonds are outstanding the City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies or other public bodies engaged in the operation of similar systems. All money received for loss of use and occupancy shall be considered Revenue of the System payable into the separate funds and accounts named in Section 4 of this Resolution. All money received for losses under any casualty policies shall be used in repairing the damage or in replacing the property destroyed provided that if the Common Council shall find it is inadvisable to repair such damage or replace such property and that the operation of the System has not been impaired thereby, such money shall be deposited in the Special Redemption Fund, but in that event such payments shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund.

Section 7. Additional Bonds. No bonds or obligations payable out of the Revenues of the System may be issued in such manner as to enjoy priority over the Bonds. Additional obligations may be issued if their lien and pledge is junior and subordinate to that of the Bonds. Additional obligations may be issued on a parity with the Bonds as to the pledge of Revenues of the System ("Parity Bonds") only if all of the following conditions are met:

(a) Either:

(i) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such additional obligations must have been equal to at least 1.25 times the average combined annual interest and principal requirements on all bonds outstanding payable from Revenues of the System (other than any bonds to be refunded) and on the Bonds then to be issued. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such additional obligations or during that part of the Fiscal Year of issuance prior to such issuance, then Revenues for purposes of such computation shall include such additional Revenues as an independent certified public accountant, consulting professional engineer, registered municipal advisor or the Wisconsin Public Service Commission may certify would have

accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year; or

(ii) An independent certified public accountant, consulting professional engineer or registered municipal advisor provides a certificate setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional bonds are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Revenues of the System and on the bonds then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

(b) The payments required to be made into the funds and accounts enumerated in Section 4 of this Resolution (including the Reserve Account, but not the Surplus Fund) must have been made in full.

(c) The additional obligations must have principal maturing on May 1 of each year in which principal falls due and interest falling due on May 1 and November 1 of each year.

(d) If the additional obligations are to be secured by the Reserve Account, the amount on deposit in the Reserve Account must be equal to the Reserve Requirement applicable upon the issuance of Parity Bonds as defined in Section 3 of this Resolution.

(e) The proceeds of the additional obligations must be used only for the purpose of providing additions, extensions or improvements to the System, or to refund obligations issued for such purpose.

Section 8. Sale of Bonds. The bid of the Purchaser for the purchase price set forth in the Proposal be and it hereby is accepted and the Mayor and City Clerk are authorized and directed to execute an acceptance of the offer of said successful bidder on behalf of the City. The good faith deposit of the Purchaser shall be applied in accordance with the Notice of Sale, and any good faith deposits submitted by unsuccessful bidders shall be promptly returned. The officers of the City are authorized and directed to do any and all acts necessary to conclude delivery of the Bonds to the Purchaser, upon receipt of the purchase price, as soon after adoption of this Resolution as is convenient.

Section 9. Application of Bond Proceeds. All accrued interest received from the sale of the Bonds shall be deposited into the Special Redemption Fund. An amount of proceeds of the Bonds, or other funds of the City, sufficient to make the amount on deposit in the Reserve Account equal to the Reserve Requirement shall be deposited in the Reserve Account. An amount of proceeds of the Bonds sufficient to provide for the payment of the Refunded Obligations shall be deposited in a special account designated the "Refunding Fund" for that purpose. The balance of the proceeds, less the expenses incurred in authorizing, issuing and delivering the Bonds, shall be deposited in a special fund designated as "Water System Improvement Fund." Said special fund shall be adequately secured and used solely for the purpose of meeting costs of extending, adding to and improving the System, as described in the preamble hereof. The balance remaining in said Water System Improvement Fund after paying

said costs shall be transferred to the Special Redemption Fund for use in payment of principal of and interest on the Bonds.

Section 10. Amendment to Resolution. After the issuance of any of the Bonds, no change or alteration of any kind in the provisions of this Resolution may be made until all of the Bonds have been paid in full as to both principal and interest, or discharged as herein provided, except:

a. The City may, from time to time, amend this Resolution without the consent of any of the owners of the Bonds, but only to cure any ambiguity, administrative conflict, formal defect, or omission or procedural inconsistency of this Resolution; and

b. This Resolution may be amended, in any respect, with the written consent of the owners of not less than two-thirds of the principal amount of the Bonds then outstanding, exclusive of Bonds held by the City; provided, however, that no amendment shall permit any change in the pledge of Revenues derived from the System, or in the maturity of any Bond issued hereunder, or a reduction in the rate of interest on any Bond, or in the amount of the principal obligation thereof, or in the amount of the redemption premium payable in the case of redemption thereof, or change the terms upon which the Bonds may be redeemed or make any other modification in the terms of the payment of such principal or interest without the written consent of the owner of each such Bond to which the change is applicable.

Section 11. Defeasance. When all Bonds have been discharged, all pledges, liens, covenants and other rights granted to the owners thereof by this Resolution shall cease. The City may discharge all Bonds due on any date by depositing into a special account on or before that date a sum sufficient to pay the same in full; or if any Bonds should not be paid when due, it may nevertheless be discharged by depositing into a special account a sum sufficient to pay it in full with interest accrued from the due date to the date of such deposit. The City, at its option, may also discharge all Bonds called for redemption on any date when they are prepayable according to their terms, by depositing into a special account on or before that date a sum sufficient to pay them in full, with the required redemption premium, if any, provided that notice of redemption has been duly given as required by this Resolution. The City, at its option, may also discharge all Bonds of said issue at any time by irrevocably depositing in escrow with a suitable bank or trust company a sum of cash and/or bonds or securities issued or guaranteed as to principal and interest of the U.S. Government, or of a commission, board or other instrumentality of the U.S. Government, maturing on the dates and bearing interest at the rates required to provide funds sufficient to pay when due the interest to accrue on each of said Bonds to its maturity or, at the City's option, if said Bond is prepayable to any prior date upon which it may be called for redemption, and to pay and redeem the principal amount of each such Bond at maturity, or at the City's option, if said Bond is prepayable, at its earliest redemption date, with the premium required for such redemption, if any, provided that notice of the redemption of all prepayable Bonds on such date has been duly given or provided for. Upon such payment or deposit, in the amount and manner provided by this Section, all liability of the City with respect to the Bonds shall cease, terminate and be completely discharged, and the owners thereof shall be entitled only to payment out of the money so deposited.

Section 12. Investments and Arbitrage. Monies accumulated in any of the funds and accounts referred to in Sections 4 and 9 hereof which are not immediately needed for the respective purposes thereof, may be invested in legal investments subject to the provisions of Sec. 66.0603(1m), Wisconsin Statutes, until needed. All income derived from such investments

shall be credited to the fund or account from which the investment was made; provided, however, that at any time that the Reserve Requirement is on deposit in the Reserve Account, any income derived from investment of the Reserve Account shall be deposited into the Special Redemption Fund and used to pay principal and interest on the Bonds. A separate banking account is not required for each of the funds and accounts established under this Resolution; however, the monies in each fund or account shall be accounted for separately by the City and used only for the respective purposes thereof. The proceeds of the Bonds shall be used solely for the purposes for which they are issued but may be temporarily invested until needed in legal investments. No such investment shall be made in such a manner as would cause the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Code or the Regulations.

An officer of the City, charged with the responsibility for issuing the Bonds, shall, on the basis of the facts, estimates and circumstances in existence on the date of closing, make such certifications as are necessary to permit the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Code or the Regulations.

Section 13. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the City and the owner or owners of the Bonds, and after issuance of any of the Bonds no change or alteration of any kind in the provisions of this Resolution may be made, except as provided in Section 10, until all of the Bonds have been paid in full as to both principal and interest. The owner or owners of any of the Bonds shall have the right in addition to all other rights, by mandamus or other suit or action in any court of competent jurisdiction, to enforce such owner's or owners' rights against the City, the governing body thereof, and any and all officers and agents thereof including, but without limitation, the right to require the City, its governing body and any other authorized body, to fix and collect rates and charges fully adequate to carry out all of the provisions and agreements contained in this Resolution.

Section 14. Utilization of The Depository Trust Company Book-Entry-Only System. In order to make the Bonds eligible for the services provided by The Depository Trust Company, New York, New York ("DTC"), the City agrees to the applicable provisions set forth in the Blanket Issuer Letter of Representations, which the City Clerk or other authorized representative of the City is authorized and directed to execute and deliver to DTC on behalf of the City to the extent an effective Blanket Issuer Letter of Representations is not presently on file in the City Clerk's office.

Section 15. Payment of the Bonds; Fiscal Agent. The principal of and interest on the Bonds shall be paid by U.S. Bank Trust Company, National Association, St. Paul, Minnesota, which is hereby appointed as the City's registrar and fiscal agent pursuant to the provisions of Section 67.10(2), Wisconsin Statutes (the "Fiscal Agent"). The City hereby authorizes the Mayor and City Clerk or other appropriate officers of the City to enter a Fiscal Agency Agreement between the City and the Fiscal Agent. Such contract may provide, among other things, for the performance by the Fiscal Agent of the functions listed in Wis. Stats. Sec. 67.10(2)(a) to (j), where applicable, with respect to the Bonds.

Section 16. Persons Treated as Owners; Transfer of Bonds. The City shall cause books for the registration and for the transfer of the Bonds to be kept by the Fiscal Agent. The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on any Bond shall be made only to the registered owner thereof. All such payments shall be valid and

effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

Any Bond may be transferred by the registered owner thereof by surrender of the Bond at the office of the Fiscal Agent, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his attorney duly authorized in writing. Upon such transfer, the Mayor and City Clerk shall execute and deliver in the name of the transferee or transferees a new Bond or Bonds of a like aggregate principal amount, series and maturity and the Fiscal Agent shall record the name of each transferee in the registration book. No registration shall be made to bearer. The Fiscal Agent shall cancel any Bond surrendered for transfer.

The City shall cooperate in any such transfer, and the Mayor and City Clerk are authorized to execute any new Bond or Bonds necessary to effect any such transfer.

Section 17. Record Date. The fifteenth day of each calendar month next preceding each interest payment date shall be the record date for the Bonds (the "Record Date"). Payment of interest on the Bonds on any interest payment date shall be made to the registered owners of the Bonds as they appear on the registration book of the City at the close of business on the Record Date.

Section 18. Compliance with Federal Tax Laws. (a) The City represents and covenants that the projects financed by the Bonds and the Refunded Obligations and their ownership, management and use will not cause the Bonds or the Refunded Obligations to be "private activity bonds" within the meaning of Section 141 of the Code. The City further covenants that it shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the Bonds including, if applicable, the rebate requirements of Section 148(f) of the Code. The City further covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The City Clerk or other officer of the City charged with the responsibility of issuing the Bonds shall provide an appropriate certificate of the City certifying that the City can and covenanting that it will comply with the provisions of the Code and Regulations.

(b) The City also covenants to use its best efforts to meet the requirements and restrictions of any different or additional federal legislation which may be made applicable to the Bonds provided that in meeting such requirements the City will do so only to the extent consistent with the proceedings authorizing the Bonds and the laws of the State of Wisconsin and to the extent that there is a reasonable period of time in which to comply.

The foregoing covenants shall remain in full force and effect, notwithstanding the defeasance of the Bonds, until the date on which all of the Bonds have been paid in full.

Section 19. Designation as Qualified Tax-Exempt Obligations. \$1,175,000 of the Bonds are deemed designated as "qualified tax-exempt obligations" pursuant to the provisions of Section 265(b)(3)(D)(ii) of the Code and the balance of the Bonds are designated "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code. In support of such designation,

an officer of the City charged with the responsibility for issuing the Bonds, shall provide an appropriate certificate of the City, as of the Closing.

Section 20. Redemption of Refunded Obligations. The Refunded Obligations are hereby called for prior payment and redemption on November 1, 2022 at a price of par plus accrued interest to the date of redemption.

The City hereby directs the City Clerk to work with Ehlers to cause timely notice of redemption, in substantially the form attached hereto as Exhibit F and incorporated herein by this reference (the "Notice"), to be provided at the times, to the parties and in the manner set forth on the Notice. Any and all actions heretofore taken by the officers and agents of the City to effectuate the redemption of the Refunded Obligations are hereby ratified and approved.

Section 21. Payment of Issuance Expenses. The City authorizes the Purchaser to forward the amount of the proceeds of the Bonds allocable to the payment of issuance expenses to a financial institution selected by Ehlers at Closing for further distribution as directed by Ehlers.

Section 22. Official Statement. The Common Council hereby approves the Preliminary Official Statement with respect to the Bonds and deems the Preliminary Official Statement as "final" as of its date for purposes of SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities and Exchange Act of 1934 (the "Rule"). All actions taken by officers of the City in connection with the preparation of such Preliminary Official Statement and any addenda to it or Final Official Statement are hereby ratified and approved. In connection with the closing of the Bonds, the appropriate City official shall certify the Preliminary Official Statement and any addenda or Final Official Statement. The City Clerk shall cause copies of the Preliminary Official Statement and any addenda or Final Official Statement to be distributed to the Purchaser.

Section 23. Undertaking to Provide Continuing Disclosure. The City hereby covenants and agrees, for the benefit of the owners of the Bonds, to enter into a written undertaking (the "Undertaking") required by the Rule to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events in accordance with the Rule. The Undertaking shall be enforceable by the owners of the Bonds or by the Purchaser on behalf of such owners (provided that the rights of the owners and the Purchaser to enforce the Undertaking shall be limited to a right to obtain specific performance of the obligations thereunder and any failure by the City to comply with the provisions of the Undertaking shall not be an event of default with respect to the Bonds).

The Mayor and City Clerk, or other officer of the City charged with the responsibility for issuing the Bonds, shall provide a Continuing Disclosure Certificate for inclusion in the transcript of proceedings, setting forth the details and terms of the City's Undertaking.

Section 24. Record Book. The City Clerk shall provide and keep the transcript of proceedings as a separate record book (the "Record Book") and shall record a full and correct statement of every step or proceeding had or taken in the course of authorizing and issuing the Bonds in the Record Book.

Section 25. Bond Insurance. If the Purchaser determines to obtain municipal bond insurance with respect to the Bonds, the officers of the City are authorized to take all actions

necessary to obtain such municipal bond insurance. The Mayor and City Clerk are authorized to agree to such additional provisions as the bond insurer may reasonably request and which are acceptable to the Mayor and City Clerk including provisions regarding restrictions on investment of Bond proceeds, the payment procedure under the municipal bond insurance policy, the rights of the bond insurer in the event of default and payment of the Bonds by the bond insurer and notices to be given to the bond insurer. In addition, any reference required by the bond insurer to the municipal bond insurance policy shall be made in the form of Bond provided herein.

Section 26. Execution of the Bonds; Closing; Professional Services. The Bonds shall be issued in printed form, executed on behalf of the City by the manual or facsimile signatures of the Mayor and City Clerk, authenticated, if required, by the Fiscal Agent, sealed with its official or corporate seal, if any, or a facsimile thereof, and delivered to the Purchaser upon payment to the City of the purchase price thereof, plus accrued interest to the date of delivery (the "Closing"). The facsimile signature of either of the officers executing the Bonds may be imprinted on the Bonds in lieu of the manual signature of the officer but, unless the City has contracted with a fiscal agent to authenticate the Bonds, at least one of the signatures appearing on each Bond shall be a manual signature. In the event that either of the officers whose signatures appear on the Bonds shall cease to be such officers before the Closing, such signatures shall, nevertheless, be valid and sufficient for all purposes to the same extent as if they had remained in office until the Closing. The aforesaid officers are hereby authorized and directed to do all acts and execute and deliver the Bonds and all such documents, certificates and acknowledgements as may be necessary and convenient to effectuate the Closing. The City hereby authorizes the officers and agents of the City to enter into, on its behalf, agreements and contracts in conjunction with the Bonds, including but not limited to agreements and contracts for legal, trust, fiscal agency, disclosure and continuing disclosure, and rebate calculation services. Any such contract heretofore entered into in conjunction with the issuance of the Bonds is hereby ratified and approved in all respects.

Section 27. Conflicting Ordinances or Resolutions. All prior ordinances, resolutions, rules, or orders, or parts thereof heretofore enacted, adopted or entered, in conflict with the provisions of this Resolution, are hereby repealed and this Resolution shall be in effect from and after its passage.

Adopted, approved and recorded September 27, 2022.

Danial H. Toland
Mayor

ATTEST:

Amy White
City Clerk

(SEAL)

EXHIBIT A

Notice of Sale

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT B

Bid Tabulation

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT C

Winning Bid

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-1

Pricing Summary

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT D-2

Debt Service Schedule

To be provided by Ehlers & Associates, Inc. and incorporated into the Resolution.

(See Attached)

DRAFT

EXHIBIT MRP

Mandatory Redemption Provision

The Bonds due on May 1, [] (the "Term Bonds") are subject to mandatory redemption prior to maturity by lot (as selected by the Depository) at a redemption price equal to One Hundred Percent (100%) of the principal amount to be redeemed plus accrued interest to the date of redemption, from special redemption fund deposits which are required to be made in amounts sufficient to redeem on May 1 of each year the respective amount of Term Bonds specified below:

For the Term Bonds Maturing on May 1, []

<u>Redemption Date</u>	<u>Amount</u>
[]	[]
[]	[] (maturity)

For the Term Bonds Maturing on May 1, []

<u>Redemption Date</u>	<u>Amount</u>
[]	[]
[]	[] (maturity)

For the Term Bonds Maturing on May 1, []

<u>Redemption Date</u>	<u>Amount</u>
[]	[]
[]	[] (maturity)

For the Term Bonds Maturing on May 1, []

<u>Redemption Date</u>	<u>Amount</u>
[]	[]
[]	[] (maturity)

EXHIBIT E
(Form of Bond)

REGISTERED
NO. R-____

UNITED STATES OF AMERICA
STATE OF WISCONSIN
PIERCE AND ST. CROIX COUNTIES
CITY OF RIVER FALLS
WATER SYSTEM REVENUE BOND, SERIES 2022D

DOLLARS
\$ _____

MATURITY DATE	ORIGINAL DATE OF ISSUE	INTEREST RATE	CUSIP
May 1, ____	October 18, 2022	____%	____

DEPOSITORY OR ITS NOMINEE NAME: CEDE & CO.

PRINCIPAL AMOUNT: _____ THOUSAND DOLLARS
(\$ _____)

FOR VALUE RECEIVED, the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "City"), hereby acknowledges itself to owe and promises to pay to the Depository or its Nominee Name (the "Depository") identified above (or to registered assigns), solely from the fund hereinafter specified, on the maturity date identified above, the principal amount identified above, and to pay interest thereon at the rate of interest per annum identified above, all subject to the provisions set forth herein regarding redemption prior to maturity. Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2023, until the aforesaid principal amount is paid in full. Both the principal of and interest on this Bond are payable to the registered owner in lawful money of the United States. Interest payable on any interest payment date shall be paid by wire transfer to the Depository in whose name this Bond is registered on the Bond Register maintained by U.S. Bank Trust Company, National Association, St. Paul, Minnesota (the "Fiscal Agent") or any successor thereto at the close of business on the 15th day of the calendar month next preceding the semi-annual interest payment date (the "Record Date"). This Bond is payable as to principal upon presentation and surrender hereof at the office of the Fiscal Agent.

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

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

In the event the Bonds are redeemed prior to maturity, as long as the Bonds are in book-entry-only form, official notice of the redemption will be given by mailing a notice by registered or certified mail, overnight express delivery, facsimile transmission, electronic transmission or in any other manner required by the Depository, to the Depository not less than thirty (30) days nor more than sixty (60) days prior to the redemption date. If less than all of the Bonds of a maturity are to be called for redemption, the Bonds of such maturity to be redeemed will be selected by lot. Such notice will include but not be limited to the following: the designation, date and maturities of the Bonds called for redemption, CUSIP numbers, and the date of redemption. Any notice provided as described herein shall be conclusively presumed to have been duly given, whether or not the registered owner receives the notice. The Bonds shall cease to bear interest on the specified redemption date provided that federal or other immediately available funds sufficient for such redemption are on deposit at the office of the Depository at that time. Upon such deposit of funds for redemption the Bonds shall no longer be deemed to be outstanding.

This Bond is one of an issue aggregating \$5,995,000, issued for the purpose of paying the cost of additions, improvements and extensions to the Water System of the City and refunding additions, improvements and extensions to the City's Water System, pursuant to Article XI, Section 3, of the Wisconsin Constitution, Section 66.0621, Wisconsin Statutes, acts supplementary thereto and a Resolution adopted September 27, 2022, and entitled: "A Resolution Authorizing the Issuance and Sale of \$5,995,000 Water System Revenue Bonds, Series 2022D of the City of River Falls, Pierce and St. Croix Counties, Wisconsin, and Providing for the Payment of the Bonds and Other Details with Respect to the Bonds" (the "Resolution") and is payable only from the income and revenues of said Water System. Such revenues have been set aside and pledged as a special fund for that purpose and identified as "Special Redemption Fund", created by a resolution adopted June 14, 2011. This Bond does not constitute an indebtedness of the City within the meaning of any constitutional or statutory debt limitation or provision.

This Bond is a "qualified tax-exempt obligation" pursuant to the provisions of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Bond is transferable only upon the books of the City kept for that purpose at the office of the Fiscal Agent, only in the event that the Depository does not continue to act as depository for the Bonds, and the City appoints another depository, upon surrender of the Bond to the Fiscal Agent, by the registered owner in person or his duly authorized attorney, upon surrender of this Bond together with a written instrument of transfer (which may be endorsed hereon) satisfactory to the Fiscal Agent duly executed by the registered owner or his duly authorized attorney. Thereupon a new fully registered Bond in the same aggregate principal amount shall be issued to the new depository in exchange therefor and upon the payment of a charge sufficient to reimburse the City for any tax, fee or other governmental charge required to be paid with respect to such registration. The Fiscal Agent shall not be obliged to make any transfer of the Bonds (i) after the Record Date, (ii) during the fifteen (15) calendar days

preceding the date of any publication of notice of any proposed redemption of the Bonds, or (iii) with respect to any particular Bond, after such Bond has been called for redemption. The Fiscal Agent and City may treat and consider the Depository in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or redemption price hereof and interest due hereon and for all other purposes whatsoever. The Bonds are issuable solely as negotiable, fully-registered Bonds without coupons in the denomination of \$5,000 or any integral multiple thereof.

It is hereby certified, recited and declared that all conditions, things and acts required by law to exist, happen, and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner as required by law; and that sufficient of the income and revenue from the City's Water System has been pledged to and will be set aside into a special fund for the payment of the principal of and interest on this Bond.

IN WITNESS WHEREOF, the City of River Falls, Pierce and St. Croix Counties, Wisconsin, by its governing body, has caused this Bond to be executed for it and in its name by the manual or facsimile signatures of its duly qualified Mayor and City Clerk; and to be sealed with its official or corporate seal, if any, all as of the original date of issue specified above.

CITY OF RIVER FALLS,
PIERCE AND ST. CROIX COUNTIES,
WISCONSIN

By: _____
Danial H. Toland
Mayor

(SEAL)

By: _____
Amy White
City Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and Address of Assignee)

(Social Security or other Identifying Number of Assignee)

the within Bond and all rights thereunder and hereby irrevocably constitutes and appoints _____, Legal Representative, to transfer said Bond on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

(e.g. Bank, Trust Company
or Securities Firm)

(Depository or Nominee Name)

NOTICE: This signature must correspond with the name of the Depository or Nominee Name as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

(Authorized Officer)

EXHIBIT F
NOTICE OF CALL**

(Name and Address
of Registered Owner)

Re: City of River Falls
Pierce and St. Croix Counties, Wisconsin
Water System Revenue Bonds, Series 2011A, Dated July 6, 2011

Notice is hereby given that the Bonds of the above-described issue which mature on the dates and bear interest at the rates set forth below have been called for prior payment on November 1, 2022.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>CUSIP No.</u>
May 1, 2023	\$110,000	3.40%	768194AL6*
May 1, 2025	235,000	3.80	768194AN2*
May 1, 2027	255,000	4.00	768194AQ5*
May 1, 2029	275,000	4.20	768194AS1*
May 1, 2031	300,000	4.40	768194AU6*

The Bonds should be presented for payment at the Servicing Center of the Fiscal Agent as follows:

Delivery Instructions

U.S. Bank Trust Company, National Association
Global Corporate Trust Services
111 Fillmore Avenue E
St. Paul, MN 55107

Bondholder Inquiries: (800) 934-6802

Upon presentation and surrender of said Bonds, you will be paid the principal amount of such Bonds and accrued interest to the date of redemption. Owners of called Bonds should also provide a fully-executed W-9 Taxpayer Identification Number Certificate.

Such Bonds will cease to bear interest on November 1, 2022.

Important Notice: In compliance with the Economic Growth and Tax Relief Reconciliation Act of 2001, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time of the payment by the redeeming institutions if they are not provided with your social security number or federal employer identification number, properly certified. This requirement is fulfilled by submitting a W-9 Form, which may be obtained at a bank or other financial institution.

Very truly yours,

U.S. BANK TRUST COMPANY, NATIONAL
ASSOCIATION
Fiscal Agent

By _____

*Indicates full call of CUSIP

** To be provided to U.S. Bank Trust Company, National Association, Fiscal Agent, at least thirty-five (35) days prior to November 1, 2022. The registrar and fiscal agent shall be directed to give notice of such prepayment by facsimile transmission, registered or certified mail, overnight express delivery, electronic transmission or in any other manner required by The Depository Trust Company, to The Depository Trust Company, Attn: Supervisor, Call Notification Department, 570 Washington Blvd., Jersey City, NJ 07310, or to such other party as may be the registered owner of the Bonds, not less than thirty (30) days nor more than sixty (60) days prior to November 1, 2022 and to the MSRB electronically through the Electronic Municipal Market Access (EMMA) System website at www.emma.msrb.org.

PRELIMINARY OFFICIAL STATEMENT DATED SEPTEMBER 20, 2022

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

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

New Issue

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

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

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

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

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

DATE OF BONDS:

October 18, 2022

MATURITY:

May 1 as follows:

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

*MATURITY ADJUSTMENTS:

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

TERM BONDS:

See "Term Bond Option" herein.

INTEREST:

May 1, 2023 and semiannually thereafter.

OPTIONAL REDEMPTION:

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

MINIMUM BID:

\$5,911,070.

GOOD FAITH DEPOSIT:

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

PAYING AGENT:

U.S. Bank Trust Company, National Association.

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).

REPRESENTATIONS

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

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

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

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

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

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

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

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

CLOSING CERTIFICATES

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

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CITY OF RIVER FALLS COMMON COUNCIL

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

ADMINISTRATION

Scot Simpson, City Administrator
Josh Solinger, Finance Director/Treasurer
Amy White, Administrative Services Manager/City Clerk
Kevin Westhuis, Utility Director

PROFESSIONAL SERVICES

Christopher Gierhart, Weld Riley S.C., City Attorney, Eau Claire, Wisconsin
Quarles & Brady LLP, Bond Counsel and Disclosure Counsel, Milwaukee, Wisconsin
Ehlers and Associates, Inc., Municipal Advisors, Roseville, Minnesota
(Other office located in Waukesha, Wisconsin)

INTRODUCTORY STATEMENT

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

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

THE BONDS

GENERAL

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

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

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

OPTIONAL REDEMPTION

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

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

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

AUTHORITY; PURPOSE

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

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

*Denotes term bonds.

ESTIMATED SOURCES AND USES*

Sources

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

Uses

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

*Preliminary, subject to change.

SECURITY

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

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

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

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

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

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

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

WATER SYSTEM REVENUE DEBT OUTSTANDING

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

HISTORIC WATER SYSTEM DEBT SERVICE COVERAGES

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

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

**Water System Revenue Bonds
Series 2022D**

Dated Amount	10/18/2022 \$5,995,000*	
Maturity	05/01	
Calendar Year Ending	Principal	Estimated Interest
2023	280,000	233,016
2024	295,000	216,923
2025	305,000	207,918
2026	315,000	198,229
2027	325,000	188,068
2028	340,000	177,088
2029	350,000	165,095
2030	355,000	152,404
2031	315,000	140,098
2032	230,000	129,900
2033	235,000	120,948
2034	245,000	111,465
2035	255,000	101,338
2036	270,000	90,440
2037	280,000	78,750
2038	290,000	66,350
2039	305,000	53,108
2040	320,000	38,965
2041	335,000	23,980
2042	350,000	8,138
	5,995,000	2,502,216

2021
Net Revenue
Available
for Debt
Service**
1,072,757.00

Calendar Year	Principal Outstanding	Total P & I	Total Interest	% Paid	Calendar Year Ending	Coverage
2023	5,715,000	513,016	233,016	4.67%	2023	2.09
2024	5,420,000	511,923	216,923	9.59%	2024	2.10
2025	5,115,000	512,918	207,918	14.68%	2025	2.09
2026	4,800,000	513,229	198,229	19.93%	2026	2.09
2027	4,475,000	513,068	188,068	25.35%	2027	2.09
2028	4,135,000	517,088	177,088	31.03%	2028	2.07
2029	3,785,000	515,095	165,095	36.86%	2029	2.08
2030	3,430,000	507,404	152,404	42.79%	2030	2.11
2031	3,115,000	455,098	140,098	48.04%	2031	2.36
2032	2,885,000	359,900	129,900	51.88%	2032	2.98
2033	2,650,000	355,948	120,948	55.80%	2033	3.01
2034	2,405,000	356,465	111,465	59.88%	2034	3.01
2035	2,150,000	356,338	101,338	64.14%	2035	3.01
2036	1,880,000	360,440	90,440	68.64%	2036	2.98
2037	1,600,000	358,750	78,750	73.31%	2037	2.99
2038	1,310,000	356,350	66,350	78.15%	2038	3.01
2039	1,005,000	358,108	53,108	83.24%	2039	3.00
2040	685,000	358,965	38,965	88.57%	2040	2.99
2041	350,000	358,980	23,980	94.16%	2041	2.99
2042	0	358,138	8,138	100.00%	2042	3.00
		8,497,216	2,502,216			

* Preliminary, subject to change.

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

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

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

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

DESCRIPTION OF WATER SYSTEM

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

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

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

Usage and Capacity

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

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

History of Water Customers¹

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

¹Excludes fire protection services.

History of Water Billings by Customer Type

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

History of Water Sales

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

2021 Larger Water Customers

Total 2021 Gallons Sold: 415,865,000

Total 2021 Billings: \$1,801,603

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

¹Includes fire protection services.

²Excludes fire protection services.

Water Rates and Charges

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

General Service Metered (MG-1)

Monthly customer charge:

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

Plus volume charge:

Residential Customers – Single Family:

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

Residential Customers – Multifamily:

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

Non-residential Customers:

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

Irrigation Customers:

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

Average Bill for Residential Service in 2021

Avg. Monthly Usage in Gallons

3,377

Avg. Monthly Bill

\$13.01

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

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

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

RATING

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

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

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

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

CONTINUING DISCLOSURE

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

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

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

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

LEGAL MATTERS

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

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

TAX EXEMPTION

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

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

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

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

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

ORIGINAL ISSUE DISCOUNT

To the extent that the initial public offering price of certain of the Bonds is less than the principal amount payable at maturity, such Bonds ("Discounted Bonds") will be considered to be issued with original issue discount. The original issue discount is the excess of the stated redemption price at maturity of a Discounted Bond over the initial offering price to the public, excluding underwriters or other intermediaries, at which price a substantial amount of such Discounted Bonds were sold (issue price). With respect to a taxpayer who purchases a Discounted Bond in the initial public offering at the issue price and who holds such Discounted Bond to maturity, the full amount of original issue discount will constitute interest that is not 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 Bonds is more than the principal amount payable at maturity, such Bonds ("Premium Bonds") will be considered to have bond premium.

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

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

MUNICIPAL ADVISOR AFFILIATED COMPANIES

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

INDEPENDENT AUDITORS

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

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

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

CURRENT PROPERTY VALUATIONS

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

2022 EQUALIZED VALUE BY CLASSIFICATION

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

TREND OF VALUATIONS

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

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

¹2022 assessed values are not yet available.

²Includes tax increment valuation.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2021 Equalized Value¹	Percent of City's Total Equalized Value
Winfield Solutions	Ag Retailer	\$12,339,166	0.94%
The Depot at River Street LLC	Apartment	7,482,141	0.57%
Anchor Paper Company	Paper	6,642,545	0.50%
TW Equities	Office/ Warehouse	6,088,469	0.46%
River Falls RCAC LLC	Senior Care	5,954,044	0.45%
Erickson's Diversified Corp	Retail Mall/ Grocery Store	5,168,872	0.39%
WISOTA LLC	Apartment	4,816,892	0.37%
IGO Legacy Hotel Group	Hotel/ Restaurant	4,776,734	0.36%
WISOTA LLC	Apartment	4,457,257	0.34%
City Station LLC	Apartment	3,591,471	0.27%
Total		\$61,317,591	4.66%
City's Total 2021 Equalized Value ²		\$1,315,911,000	

Source: The City.

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

²Includes tax increment valuation.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

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

Revenue Debt

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

*Preliminary, subject to change.

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

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

Dated Amount Maturity	Taxable Refunding Bonds Series 2012A		Refunding Bonds Series 2012B		Corporate Purpose Bonds Series 2014A		State Trust Fund Loan		State Trust Fund Loan	
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
03/22/2012	\$4,560,000	0	09/20/2012	\$3,765,000	08/12/2014	\$5,425,000	07/01/2015	\$1,600,000	10/07/2015	\$269,800
03/01			05/01		12/01		03/15		03/15	
					Final Maturity 06/01					
Calendar Year Ending	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2022	0	0	0	3,400	410,000	62,369	0	0	0	0
2023	135,000	25,974	340,000	3,400	225,000	108,338	75,872	42,133	32,291	3,252
2024	140,000	21,950			230,000	99,338	78,609	39,395	33,335	2,208
2025	145,000	17,603			240,000	92,438	81,665	36,340	34,424	1,119
2026	150,000	12,955			245,000	85,238	84,727	33,277		
2027	155,000	7,998			255,000	77,888	87,904	30,100		
2028	160,000	2,720			260,000	70,238	91,127	26,877		
2029					270,000	62,438	94,618	23,386		
2030					275,000	54,338	98,166	19,838		
2031					290,000	45,400	101,848	16,157		
2032					300,000	35,250	105,633	12,371		
2033					310,000	24,000	109,628	8,376		
2034					330,000	6,188	113,739	4,265		
2035										
2036										
2037										
2038										
2039										
2040										
2041										
2042										
	885,000	89,199	340,000	6,800	3,640,000	823,456	1,123,537	292,515	100,050	6,579

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City of River Falls, Wisconsin

Promissory Note

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City of River Falls, Wisconsin

Corporate Purpose Bonds	Taxable Promissory Notes	Taxable Promissory Notes	Sewerage Bonds

* Preliminary, subject to change.

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

Electric System Revenue Bonds Series 2018B				WPPI Loan			
Dated Amount	07/02/2018 \$2,500,000	08/12/2020 \$500,000					
Maturity	04/01	Monthly					
Calendar Year Ending	Principal	Interest	Principal	Interest	Total Principal	Total Interest	Total P & I
2022	0	0	12,500	0	12,500	0	12,500
2023	245,000	48,550	50,000	0	295,000	48,550	343,550
2024	255,000	38,550	50,000	0	305,000	38,550	343,550
2025	265,000	29,475	50,000	0	315,000	29,475	344,475
2026	275,000	21,375	50,000	0	325,000	21,375	346,375
2027	285,000	12,975	50,000	0	335,000	12,975	347,975
2028	290,000	4,350	50,000	0	340,000	4,350	344,350
2029			50,000	0	50,000	0	50,000
2030			33,333	0	33,333	0	33,333
	1,615,000	155,275	395,834	0	2,010,834	155,275	2,166,109
Principal Outstanding	% Paid	Calendar Year Ending					
1,998,334	.62%	2022					
1,703,334	15.29%	2023					
1,398,334	30.46%	2024					
1,083,334	46.13%	2025					
758,333	62.29%	2026					
423,333	78.95%	2027					
83,333	95.86%	2028					
33,333	98.34%	2029					
0	100.00%	2030					

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

Sewerage System Revenue Bonds (CWFL)											
Series 2005						Series 2016A					
Dated	11/23/2005					04/13/2016					
Amount	\$3,342,130					\$4,510,000					
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	
2022	0	8,603	0	47,525	0	56,128	56,128	4,166,585	.00%	2022	
2023	203,230	14,416	215,000	92,900	418,230	107,316	525,546	3,748,355	10.04%	2023	
2024	208,811	8,758	220,000	88,550	428,811	97,308	526,119	3,319,544	20.33%	2024	
2025	214,544	2,946	225,000	84,100	439,544	87,046	526,590	2,880,000	30.88%	2025	
2026			225,000	79,600	225,000	79,600	304,600	2,655,000	36.28%	2026	
2027			230,000	75,050	230,000	75,050	305,050	2,425,000	41.80%	2027	
2028			240,000	69,150	240,000	69,150	309,150	2,185,000	47.56%	2028	
2029			245,000	61,875	245,000	61,875	306,875	1,940,000	53.44%	2029	
2030			255,000	54,375	255,000	54,375	309,375	1,685,000	59.56%	2030	
2031			260,000	46,650	260,000	46,650	306,650	1,425,000	65.80%	2031	
2032			270,000	38,700	270,000	38,700	308,700	1,155,000	72.28%	2032	
2033			275,000	30,525	275,000	30,525	305,525	880,000	78.88%	2033	
2034			285,000	22,125	285,000	22,125	307,125	595,000	85.72%	2034	
2035			295,000	13,425	295,000	13,425	308,425	300,000	92.80%	2035	
2036			300,000	4,500	300,000	4,500	304,500	0	100.00%	2036	
	626,585	34,723	3,540,000	809,050	4,166,585	843,773	5,010,358				

DEBT LIMIT

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

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

*Preliminary, subject to change.

OVERLAPPING DEBT²

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

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

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

³Includes tax increment valuation.

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

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

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$1,494,615,400	Debt/ Per Capita 16,515¹
Total General Obligation Debt*	\$24,568,887	1.64%	\$1,487.67
City's Share of Total Overlapping Debt	<u>38,480,653</u>	<u>2.57%</u>	<u>\$2,330.04</u>
Total*	\$63,049,540	4.22%	\$3,817.71

DEBT PAYMENT HISTORY

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

FUTURE FINANCING

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

*Preliminary, subject to change.

¹Preliminary estimated 2022 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Pierce County

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

St. Croix County

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

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

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

PROPERTY TAX RATES

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

Pierce County

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

St. Croix County

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

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

LEVY LIMITS

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

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

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

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

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

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

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

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general obligation debt authorized on or after July 1, 2005.

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

THE ISSUER

CITY GOVERNMENT

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

EMPLOYEES; PENSIONS

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

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

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

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

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

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

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

Recognized and Certified Bargaining Units

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

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

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

The following bargaining unit represents employees of the City:

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

OTHER POST EMPLOYMENT BENEFITS

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

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

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

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

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

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

LITIGATION

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

MUNICIPAL BANKRUPTCY

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

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

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

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

FUNDS ON HAND (as of June 30, 2022)

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

ENTERPRISE FUNDS

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

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

SUMMARY GENERAL FUND INFORMATION

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

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

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

GENERAL INFORMATION

LOCATION

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

LARGER EMPLOYERS¹

Larger employers in the City include the following:

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

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

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

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

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

BUILDING PERMITS

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

Source: The City.

¹As of July 31, 2022.

U.S. CENSUS DATA

Population Trend: The City

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

Income and Age Statistics

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

	State of Wisconsin	United States
City % of 2020 per capita income	83.97%	81.75%
City % of 2020 median family income	117.13%	118.26%

Housing Statistics

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

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

EMPLOYMENT/UNEMPLOYMENT DATA

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

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

Source: Wisconsin Department of Workforce Development.

¹Preliminary.

FINANCIAL STATEMENTS

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

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

City of River Falls

Financial Statements and
Supplementary Information

December 31, 2021

City of River Falls

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City of River Falls

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Independent Auditors' Report

To the City Council of
City of River Falls

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of River Falls, Wisconsin (the City), as of and for the year ended December 31, 2021, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information of the City of River Falls as of December 31, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

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

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Supplementary Information

Our audit for the year ended December 31, 2021 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The supplementary information for the year ended December 31, 2021 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2021, and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2021.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of the City of River Falls as of and for the year ended December 31, 2020 (not presented herein), and have issued our report thereon dated July 19, 2021, which contained unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, each major fund and the aggregate discretely presented component unit and remaining fund information. The supplementary information for the year ended December 31, 2020 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2020 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2020 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2020.

Baker Tilly US, LLP

Eau Claire, Wisconsin
July 20, 2022

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

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

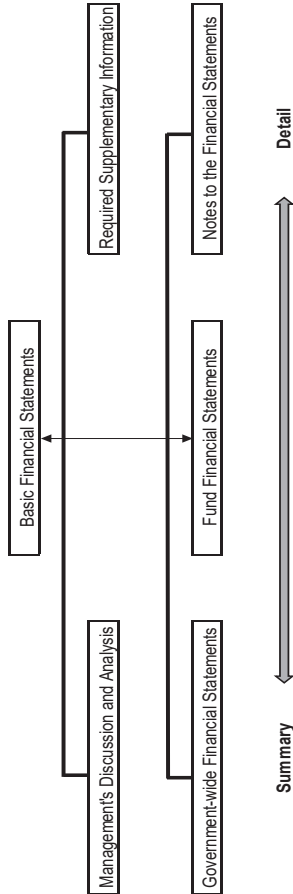
FINANCIAL HIGHLIGHTS

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

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Figure A-1
Components of the Financial Section



The basic financial statements include two kinds of statements.

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

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

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

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

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

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

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

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

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

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

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

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

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

- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting for fiduciary funds is similar to that used for proprietary funds. The City of River Falls uses fiduciary funds to account for taxes collected for the benefit of overlapping tax jurisdictions.

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

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

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

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

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

Although the City's investment in its capital assets is reported net of related debt, it should be noted the resources needed to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. The City uses these capital assets to provide services to citizens and is not available for future spending.

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

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

City of River Falls Summary of Net Position

	Governmental Activities		Business-type Activities		Total
	2021	2020	2021	2020	
Current and Other Assets	\$ 31,122,379	\$ 29,270,157	\$ 14,318,568	\$ 13,500,732	\$ 45,440,947
Capital Assets	66,238,300	66,189,039	64,363,235	64,820,329	130,601,535
Total Assets	97,360,679	95,459,196	78,681,803	78,321,061	176,042,482
Deferred Charge on refunding	218,263	248,368	29,541	53,704	247,804
Deferred Pension and OPEB	4,768,103	3,566,728	1,538,925	1,099,060	6,307,028
Deferred Outflows of Resources	4,986,366	3,815,096	1,568,466	1,152,764	6,554,832
Current Liabilities	5,129,105	7,626,883	2,861,075	2,585,548	7,990,180
Noncurrent Liabilities	20,676,576	20,547,853	7,978,063	9,121,786	28,654,639
Total Liabilities	25,805,681	28,174,736	10,839,138	11,707,334	36,644,819
Deferred Unearned revenues	8,835,737	8,630,328	-	-	8,835,737
Deferred Pension and OPEB	6,196,834	4,325,889	2,086,091	1,443,178	8,282,925
Deferred Inflows of Resources	15,032,571	12,956,217	2,086,091	1,443,178	17,118,662
Net Investment in Capital Assets ¹	48,798,825	47,065,279	56,177,716	55,534,030	103,970,566
Restricted	8,356,053	6,437,455	3,199,578	2,655,981	11,555,631
Unrestricted ¹	4,353,915	4,640,605	7,947,746	8,133,302	13,785,026
Total Net Position	\$ 61,508,792	\$ 58,143,339	\$ 67,325,040	\$ 66,323,313	\$ 128,735,713
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	11%	11%	61%	62%	27%

¹ See Note 1.D. 3 equity classifications for detailed information of 2021 & 2020 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	
	2021	2020	2021	2020
Revenues				
Program revenues:				
Charges for services	\$1,970,713	\$1,874,920	\$21,456,858	\$20,260,233
Operating grants and contributions	2,120,182	2,198,019		28,737
Capital grants and contributions	239,340	2,514,780	742,309	1,688,135
General revenues:				
Property taxes	8,602,918	8,249,537		
Other taxes	235,189	166,055		
Intergovernmental	2,382,232	2,752,737		
Investment earnings	77,772	428,482	30,068	95,326
Special item				86,498
Miscellaneous	460,137	487,027	43,441	45,312
Total revenues	16,088,483	18,671,607	22,272,676	22,204,241
Expenses				
General government	2,473,975	2,322,490		
Public safety	3,812,876	3,993,801		
Public works	3,878,945	3,710,674		
Health services	19,886	17,844		
Leisure	2,235,832	2,145,064		
Conservation and development	1,321,400	1,256,341		
Interest and fiscal charges	636,950	912,650		
Electric utility		14,025,540		13,128,265
Water utility		1,493,204		1,397,023
Sewer utility		2,746,450		2,912,943
Stormwater utility		783,717		512,949
Ambulance service			565,203	1,534,432
Total expenses	14,379,864	14,388,864	19,614,114	19,480,612
Change in net position before transfers	1,708,619	4,312,743	2,658,562	2,723,629
Transfers	1,656,835	1,820,402	(1,656,835)	(1,820,402)
Increases in net position	3,365,454	6,133,045	1,001,727	903,327
Net position January 1	\$8,143,339	\$9,010,294	\$6,323,313	\$6,541,986
Net position December 31	\$ 61,508,793	\$ 58,143,339	\$ 67,325,040	\$ 66,323,313

x

Governmental Activities:

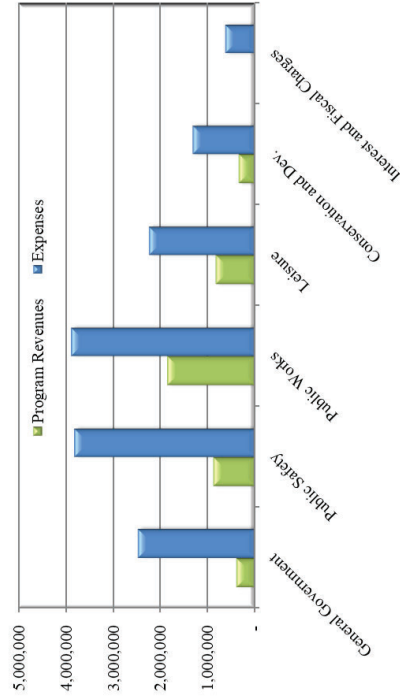
At the end of 2021, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of \$102.3 million and total liabilities and deferred inflows of resources of \$40.8 million, resulting in a net position of \$61.5 million. The net position is allocated with \$48.8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

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

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

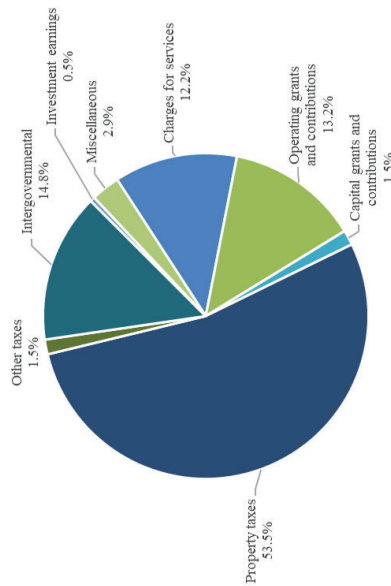
The accompanying graph exhibits the governmental activities expenses in comparison to program revenues exclusive of all grants and contributions as well as program and general revenues by source.

Governmental Activities Expenses and Program Revenues



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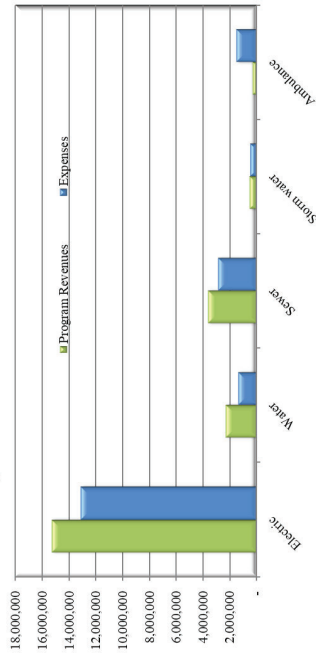
**Program and General Revenues
by Source - Governmental Activities**



Business-Type Activities:

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

**Business-Type Activities
Expenses and Revenues**



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

Electric

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

Water

- The utility closed the year with net position of \$17,315,119.
 - Of this amount, \$13.2 million is net investment in capital assets.
 - Unrestricted net position was \$3.8 million.
 - Restricted net position was \$0.2 million.

- Operating revenues for the year were \$1,979,414; an increase of \$129,869 compared to 2020.

Sewer

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

Nonmajor Enterprise Funds

Storm Water

- The Storm Water fund's net position decreased \$227 thousand from the prior year to \$7.0 million.
- Operating revenues were \$582 thousand; a decrease of \$8 thousand from 2020.
- Operating expenditures were \$771 thousand; an increase of \$268 thousand from 2020.

Ambulance

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

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds

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

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

GENERAL FUND BUDGETARY HIGHLIGHTS

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

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

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

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

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

Long-Term Debt

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

The City issued no new debt in 2021.

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

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

ECONOMIC FACTORS AND THE 2020-2021 BUDGET AND RATES

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

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

REQUEST FOR INFORMATION

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

City of River Falls

Statement of Net Position
December 31, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	
Assets and Deferred Outflows of Resources				
Assets				
Cash and Investments	\$ 15,605,747	\$ 9,310,877	\$ 24,916,624	\$ 57,683
Receivables, net:				
Taxes	8,832,558	-	8,832,558	-
Accounts	534,282	2,200,196	2,734,478	-
Special assessments	53,733	-	53,733	42,000
Accrued interest	10,221	-	10,221	-
Loans	1,082,303	-	1,082,303	-
Other receivables	7,022	66,412	73,434	-
Inventories and prepaid items	73,388	700,143	773,531	-
Due from other governments	4,443	-	4,443	-
Internal balances	2,146,350	(2,146,350)	-	-
Other assets	-	195,790	195,790	-
Restricted assets:				
Cash and investments	-	3,027,707	3,027,707	-
Net pension asset	2,772,332	963,793	3,736,125	-
Capital assets:				
Land	16,332,978	365,000	16,697,978	-
Construction in progress	434,860	1,506,765	1,941,625	-
Other capital assets, net of depreciation	49,470,462	62,491,470	111,961,932	-
Total assets	97,360,679	78,681,803	176,042,482	99,683
Deferred Outflows of Resources				
Deferred charge on refunding	218,263	29,541	247,804	-
Pension related amounts	4,604,436	1,505,944	6,110,380	-
OPEB related amounts	163,667	32,981	196,648	-
Total deferred outflows of resources	4,986,366	1,568,466	6,554,832	-
Liabilities, Deferred Inflows of Resources and Net Position				
Liabilities				
Accounts payable	454,695	1,446,040	1,900,735	-
Accrued liabilities	142,232	51,878	194,110	-
Accrued interest	170,075	46,826	216,901	-
Deposits	107,698	78,328	186,026	-
Unearned revenues	4,254,405	-	4,254,405	-
Noncurrent liabilities:				
Due within one year	2,046,259	1,238,003	3,284,262	-
Due in more than one year	18,630,317	7,978,063	26,608,380	-
Total liabilities	25,805,681	10,839,138	36,644,819	-
Deferred Inflows of Resources				
Unearned revenues	8,835,737	-	8,835,737	-
Pension related amounts	6,121,130	2,070,836	8,191,966	-
OPEB related amounts	75,704	15,255	90,959	-
Total deferred inflows of resources	15,032,571	2,086,091	17,118,662	-

See notes to financial statements

City of River Falls

Statement of Net Position
December 31, 2021

	Primary Government		Component Unit
	Governmental Activities	Business-Type Activities	Improvement District
Net Position			
Net investment in capital assets	\$ 48,798,825	\$ 56,177,716	\$ 103,495,176
Restricted for:			
Debt service	-	804,109	804,109
Capital asset repair and replacement	-	996,091	996,091
Impact fee projects	562,348	435,585	997,933
Library trust	155,149	-	155,149
Housing	885,794	-	885,794
Parking improvements	64,068	-	64,068
Refuse/solid waste	39,765	-	39,765
Environmental fee	3,262,824	-	3,262,824
Library	251,651	-	251,651
Shared ride taxi	12,449	-	12,449
Tax increment districts	257,522	-	257,522
Pension	2,772,332	963,793	3,736,125
Loan programs	92,151	-	92,151
Unrestricted	4,353,915	7,947,746	13,783,026
Total net position	\$ 61,508,793	\$ 67,325,040	\$ 128,833,833

See notes to financial statements
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City of River Falls Statement of Activities Year Ended December 31, 2021

Functions/Programs	Net (Expense) Revenues and Changes in Net Position				Component Unit
	Primary Government				
	Program Revenues	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary Government					
Governmental activities:					
General government	\$ 2,473,975	\$ 408,135	\$ -	\$ (2,067,840)	\$ -
Police	3,812,878	138,326	-	(2,927,299)	(2,927,299)
Public works	3,978,946	3,090	865,454	(2,027,002)	-
Health services	-	-	-	(1,407,022)	-
Leisure activities	2,235,832	323,333	506,477	-	(983,612)
Conservation and development	-	-	-	-	-
Interest and fiscal charges	1,321,400	121,538	-	-	(983,612)
	(638,950)	-	(983,612)	-	(1,622,562)
Total governmental activities	14,379,864	2,120,102	(110,049,620)	-	(110,459,820)
Business-Type activities:					
Electric utility	14,025,540	-	-	1,276,042	1,276,042
Water utility	1,493,304	128	-	838,055	838,055
Stormwater	2,748,450	281,336	-	959,253	959,253
Sanitary sewer	783,717	-	-	(201,416)	(201,416)
Stormwater	582,301	-	-	(227,881)	(227,881)
Ambulance	555,003	-	-	-	-
Total business-type activities	19,614,114	21,458,868	2,956,033	2,956,033	2,956,033
Total primary government	\$ 33,993,978	\$ 23,427,571	\$ (10,040,620)	\$ 2,956,033	\$ (7,464,570)
Component Unit					
Improvement district	\$ 30,306	\$ 42,600	\$ -	-	11,604
General Revenues					
Taxes					
Property taxes, levied for general purposes			6,867,305	-	6,867,305
Property taxes, levied for debt service			330,430	-	330,430
Property taxes, levied for TIF districts			1,615,183	-	1,615,183
Intergovernmental revenues not restricted to specific programs			2,382,232	-	2,382,232
Investment income			255,189	-	255,189
Micro-enterprises			2,772	-	2,772
Miscellaneous			460,317	-	460,317
Total general revenues			11,759,246	-	11,759,246
Transfers			(1,658,835)	-	(1,658,835)
Change in net position			3,365,464	-	3,365,464
Net Position, Beginning			1,001,727	-	1,001,727
Net Position, Ending			68,323,133	-	68,323,133
			\$ 61,508,793	\$ -	\$ 61,508,793

See notes to financial statements
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City of River Falls

Balance Sheet
Governmental Funds
December 31, 2021

	General Fund	Tax Increment District #10	General Capital Projects	Nonmajor Governmental Funds	Total
Assets					
Cash and investments	\$ 5,834,425	\$ 137,753	\$ 2,064,719	\$ 7,246,872	\$ 15,283,769
Receivables:					
Taxes	4,834,396	681,756	238,998	3,077,408	8,832,558
Accounts	260,056	-	31,485	248,029	539,550
Special assessments	48,099	-	7,634	-	55,733
Accrued interest	6,637	-	-	3,584	10,221
Loans	-	369,000	131,325	581,978	1,082,303
Prepaid items	56,126	-	-	4,910	61,036
Due from other funds	609,783	-	-	-	609,783
Due from other governments	4,306	-	-	137	4,443
Advances to other funds	6,538,531	-	500,000	1,500,000	8,538,531
Total assets	\$ 18,190,359	\$ 1,188,509	\$ 2,974,141	\$ 12,662,918	\$ 35,015,927
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ 229,711	\$ -	\$ 141,180	\$ 70,125	\$ 441,016
Accrued liabilities	124,471	-	-	9,942	134,413
Deposits	83,930	-	19,078	4,690	107,698
Unearned revenues	-	-	3,413,144	841,261	4,254,405
Due to other funds	-	-	-	585,591	585,591
Advances from other funds	-	3,422,711	-	5,115,820	8,538,531
Total liabilities	438,112	3,422,711	3,573,402	6,627,429	14,061,654
Deferred Inflows of Resources					
Unearned revenues	4,829,941	681,756	246,632	3,077,408	8,835,737
Unavailable revenues	187,869	369,000	135,575	584,365	1,276,809
Total deferred inflows of resources	5,017,810	1,050,756	382,207	3,661,773	10,112,546
Fund Balances (Deficit)					
Nonspendable	6,594,657	-	500,000	4,910	7,099,567
Restricted	-	-	-	5,077,017	5,077,017
Committed	-	-	-	1,030,005	1,030,005
Unassigned (deficit)	6,139,780	(3,284,958)	(1,481,468)	(3,738,216)	(2,364,862)
Total fund balances (deficit)	12,734,437	(3,284,958)	(981,468)	2,373,716	10,841,727
Total liabilities, deferred inflows of resources and fund balances	\$ 18,190,359	\$ 1,188,509	\$ 2,974,141	\$ 12,662,918	\$ 35,015,927

See notes to financial statements
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City of River Falls

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

Total Fund Balances, Governmental Funds	\$ 10,841,727
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in the funds. See Note 3.	66,238,300
Less internal service fund included below	(105,670)
Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,276,809
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	2,772,332
Less internal service fund included below	(129,187)
Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	4,604,436
Deferred outflows, pension related amounts	163,667
Deferred outflows, OPEB related amounts	(210,285)
Less internal service fund included below	
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	(6,121,130)
Deferred inflows, pension related amounts	(75,704)
Deferred inflows, OPEB related amounts	305,710
Add internal service fund included below	
Governmental funds report the effect of losses on refunding, discounts, premiums and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities.	(575,894)
Internal service funds are reported in the statement of net position as governmental activities.	2,576,176
Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.	
Bonds and notes payable	(18,827,982)
Compensated absences	(235,042)
Accrued interest	(170,075)
Landfill postclosure care cost	(107,331)
Other postemployment benefits	(712,064)
Net Position of Governmental Activities	\$ 61,508,793

See notes to financial statements
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City of River Falls

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

	General Fund	Tax Incremental District #10	General Capital Projects	Nonmajor Governmental Funds	Total
Revenues					
Taxes	\$ 4,839,321	\$ 448,464	\$ 117,388	\$ 3,432,934	\$ 8,838,107
Special assessments	120	-	4,279	2,500	6,899
Intergovernmental	3,729,140	-	-	640,082	4,369,222
Licenses and permits	387,431	-	-	-	387,431
Fines, forfeitures and penalties	153,917	-	-	-	153,917
Public charges for services	343,207	-	-	1,178,595	1,521,802
Intergovernmental charges for services	14,263	-	-	-	14,263
Investment income	65,221	135	1,775	9,735	76,866
Miscellaneous	84,205	86,073	72,222	437,186	679,686
Total revenues	9,616,825	534,672	195,684	5,701,032	16,048,193
Expenditures					
Current:					
General government	1,942,827	-	-	-	1,942,827
Public safety	3,975,679	-	-	1,426	3,977,105
Public works	2,020,599	-	-	1,143,740	3,164,339
Health services	-	-	-	-	1,902
Leisure activities	912,881	-	-	980,864	1,893,745
Conservation and development	1,013,996	5,242	-	634,473	1,653,711
Capital outlay	-	66,633	703,951	710,003	1,480,587
Debt service:					
Principal retirement	251,291	240,000	30,290	1,349,798	1,871,379
Interest and fiscal charges	44,981	124,492	5,253	532,862	707,588
Total expenditures	10,164,156	436,367	739,494	5,353,166	16,693,183
Excess (deficiency) of revenues over expenditures	(547,331)	98,305	(543,830)	347,866	(644,990)
Other Financing Sources (Uses)					
Transfers from other funds	1,863,109	-	-	281,017	2,144,126
Transfers to other funds	(721,196)	(29,123)	(51,388)	(601,579)	(1,403,286)
Property sales	16,425	-	-	-	16,425
Total other financing sources (uses)	1,158,338	(29,123)	(51,388)	(320,562)	757,265
Net change in fund balances	611,007	69,182	(595,218)	27,304	112,275
Fund Balances (Deficit), Beginning	12,123,430	(3,354,140)	(386,250)	2,346,412	10,729,452
Fund Balances (Deficit), Ending	\$ 12,734,437	\$ (3,284,958)	\$ (981,468)	\$ 2,373,716	\$ 10,841,727

See notes to financial statements
6

City of River Falls

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

Net Change in Fund Balances, Total Governmental Funds	\$
Amounts reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.	
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements.	1,480,587
Some items reported as capital outlay were not capitalized.	(74,231)
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide statements.	18,075
Depreciation is reported in the government-wide financial statements.	(1,558,680)
Contributed capital assets are reported as revenues in the government-wide financial statements.	236,250
Receivables not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	86,910
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.	1,871,379
Principal repaid	
Interest on long-term debt in the statement of activities differs from the amount reported in the fund financial statements because interest is recorded as an expenditure in the funds when it is due and thus requires the use of current financial resources. In the statement of activities, interest expense is recognized as the interest accrues regardless of when it is due.	40,015
Governmental funds report debt premiums, discounts and gains or losses on refunding in the year incurred. However, in the statement of net position, these are reported as other assets or deductions from long-term debt. These are allocated over the period the debt is outstanding in the statement of activities. In 2021, \$30,105 of the deferred charge on refunding was amortized and \$60,728 of the premium was amortized.	30,623
Some expenses in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(2,277)
Other postemployment benefits and OPEB related deferrals	(16,598)
Landfill postclosure care costs	7,476
Net pension asset and pension related deferrals	707,225
Internal service funds are used by management to charge self insurance costs to individual funds. The change in net position of the internal service fund reported with governmental activities	426,425
Change in Net Position of Governmental Activities	<u>\$ 3,365,454</u>

See notes to financial statements
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City of River Falls

Statement of Net Position
Proprietary Funds
December 31, 2021

Business-Type Activities - Enterprise Funds

	Electric Utility	Water Utility	Sewer Utility
Assets			
Current assets:			
Cash and investments	\$ 3,286,405	\$ 3,659,486	\$ 1,498,591
Receivables, net:			
Accounts	1,339,640	160,985	303,470
Other receivables	21,372	25,127	19,913
Inventories	686,550	-	-
Prepaid items	7,718	2,020	3,294
Restricted assets:			
Redemption account	209,720	91,476	547,522
Total current assets	5,551,405	3,939,094	2,372,790

Noncurrent assets:			
Restricted assets:			
Reserve account	259,810	174,237	313,266
Impact fees	-	-	435,585
Replacement account	-	-	996,091
Net pension asset	516,321	177,560	210,743
Capital assets:			
Land	122,960	23,120	117,622
Construction in progress	16,485	178,683	1,247,247
Property and equipment	34,150,316	21,798,370	33,715,060
Less accumulated depreciation	(15,109,200)	(7,685,157)	(10,618,435)
Other assets:			
Other receivables	-	14,094	10,892
Preliminary survey and investigation	-	153,604	-
Nonutility property	-	-	17,200
Total noncurrent assets	19,956,692	14,834,511	26,445,271
Total assets	25,508,097	18,773,605	28,818,061

Deferred Outflows of Resources

Deferred charge on refunding	-	-	29,541
Pension related amounts	797,975	284,233	336,902
OPEB related amounts	26,398	2,068	4,515
Total deferred outflows of resources	824,373	286,301	370,958

See notes to financial statements
8

Business-Type Activities - Enterprise Funds

	Nonmajor Enterprise Funds	Total	Governmental Activities - Internal Service Funds
Assets			
Current assets:			
Cash and investments	\$ 866,395	\$ 9,310,877	\$ 321,978
Receivables, net:			
Accounts	396,101	2,200,196	-
Other receivables	-	66,412	1,754
Inventories	-	686,550	-
Prepaid items	561	13,593	12,352
Restricted assets:			
Redemption account	-	848,718	-
Total current assets	1,263,057	13,126,346	336,084
Noncurrent assets:			
Restricted assets:			
Reserve account	-	747,313	-
Impact fees	-	435,585	-
Replacement account	-	996,091	-
Net pension asset	59,169	963,793	129,187
Capital assets:			
Land	101,298	365,000	-
Construction in progress	64,350	1,506,765	-
Property and equipment	9,600,498	99,264,244	543,343
Less accumulated depreciation	(3,359,982)	(36,772,774)	(437,673)
Other assets:			
Other receivables	-	24,986	-
Preliminary survey and investigation	-	153,604	-
Nonutility property	-	17,200	-
Total noncurrent assets	6,465,333	67,701,807	234,857
Total assets	7,728,390	80,828,153	570,941
Deferred Outflows of Resources			
Deferred charge on refunding	-	29,541	-
Pension related amounts	86,834	1,505,944	210,285
OPEB related amounts	-	32,981	-
Total deferred outflows of resources	86,834	1,568,466	210,285

See notes to financial statements
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City of River Falls

Statement of Net Position
Proprietary Funds
December 31, 2021

Business-Type Activities - Enterprise Funds

	Electric Utility	Water Utility	Sewer Utility
Liabilities			
Current liabilities:			
Accounts payable	\$ 997,049	\$ 22,130	\$ 425,330
Customer deposits	28,111	217	-
Accrued liabilities	32,657	8,579	8,829
Accrued interest	-	-	2,217
Due to other funds	-	-	-
Current portion of general obligation debt	-	-	325,000
Current portion of other loans payable	50,000	-	-
Current portion of compensated absences	59,799	21,414	28,992
Liabilities payable from restricted assets:			
Current portion of revenue bonds	240,000	105,000	407,798
Accrued interest	15,762	8,532	20,315
Total current liabilities	1,423,378	165,872	1,218,481
Noncurrent liabilities:			
Long-term debt:			
General obligation debt	-	-	340,000
Revenue bonds	1,615,000	1,175,000	4,166,585
Other loans payable	383,333	-	383,333
Unamortized debt premium	54,590	1,664	98,403
Other postemployment benefits	114,846	8,988	19,644
Total noncurrent liabilities	2,167,769	1,185,662	4,824,832
Total liabilities	3,591,147	1,351,534	5,843,113
Deferred Inflows of Resources			
Pension related amounts	1,119,932	392,296	446,969
OPEB related amounts	12,210	957	2,088
Total deferred inflows of resources	1,132,142	393,253	449,057
Net Position			
Net investment in capital assets	17,097,448	13,207,589	19,466,515
Restricted for:			
Debt service	193,958	82,944	527,207
Replacement	-	-	996,091
Impact fee projects	-	-	435,585
Pension	516,321	177,560	210,743
Unrestricted	3,801,454	3,847,026	1,260,708
Total net position	\$ 21,609,181	\$ 17,315,119	\$ 22,896,849

Adjustments to reflect the consolidation of internal service funds activities related to enterprise funds.

Net position business-type activities

See notes to financial statements
10

Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds	
Nonmajor Enterprise Funds	Total		
\$ 1,531	\$ 1,446,040	\$ 13,679	
50,000	78,328	-	
1,813	51,878	7,819	
-	2,217	-	
-	-	24,192	
-	325,000	-	
-	50,000	-	
-	110,205	-	
-	752,798	-	
-	44,609	-	
53,344	2,861,075	45,690	
-	-	-	
-	340,000	-	
-	6,956,585	-	
-	383,333	-	
-	154,657	-	
-	143,488	-	
-	7,978,063	-	
53,344	10,839,138	45,690	
111,639	2,070,836	305,710	
-	15,255	-	
111,639	2,086,091	305,710	
6,406,164	56,177,716	105,670	
-	804,109	-	
-	996,091	-	
-	435,585	-	
59,169	963,793	129,187	
1,184,908	10,094,096	194,969	
\$ 7,650,241	69,471,390	\$ 429,826	
	(2,146,350)		
	\$ 67,325,040		

See notes to financial statements
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City of River Falls

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

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
Operating Revenues			
Public charges for services	\$ 15,172,454	\$ 1,979,414	\$ 3,385,367
Total operating revenues	15,172,454	1,979,414	3,385,367
Operating Expenses			
Operation and maintenance	12,600,463	913,815	1,681,709
Depreciation	1,146,752	476,517	850,036
Total operating expenses	13,747,215	1,390,332	2,531,745
Operating income (loss)	1,425,239	589,082	853,622
Nonoperating Revenues (Expenses)			
Investment income	14,458	7,158	6,502
Interest and fiscal charges	(65,849)	(52,740)	(141,366)
Amortization of debt premium and loss on refunding	8,540	178	(5,884)
Miscellaneous	29,389	-	-
Total nonoperating revenues (expenses)	(13,462)	(45,404)	(140,748)
Income before contributions and transfers	1,411,777	543,678	712,874
Contributions and Transfers			
Capital contributions	129,128	351,845	261,336
Transfers from other funds	-	-	-
Transfers to other funds	(956,877)	(434,986)	(212,092)
Total contributions and transfers	(827,749)	(83,141)	49,244
Change in net position	584,028	460,537	762,118
Net Position, Beginning	21,025,153	16,854,582	22,134,731
Net Position, Ending	\$ 21,609,181	\$ 17,315,119	\$ 22,896,849
Change in net position of enterprise funds			
Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds			
Change in net position of business-type activities			

See notes to financial statements
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	<u>Nonmajor Enterprise Funds</u>	<u>Total</u>	<u>Governmental Activities - Internal Service Funds</u>
\$ 919,623	\$ 21,456,858	\$ 302,001	
919,623	21,456,858	302,001	
1,125,115	16,321,102	1,094,752	
205,254	2,678,559	52,740	
1,330,369	18,999,661	1,147,492	
(410,746)	2,457,197	(845,491)	
1,950	30,068	586	
(2,117)	(262,072)	-	
-	2,834	-	
14,052	43,441	120	
13,885	(185,729)	706	
(396,861)	2,271,468	(844,785)	
-	742,309	-	
-	-	1,232,993	
(52,880)	(1,656,835)	(316,998)	
(52,880)	(914,526)	915,995	
(449,741)	1,356,942	71,210	
8,099,982	68,114,448	358,616	
\$ 7,650,241	\$ 69,471,390	\$ 429,826	
	1,356,942		
	(355,215)		
	\$ 1,001,727		

See notes to financial statements
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City of River Falls

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

	Business-Type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
Cash Flows From Operating Activities			
Received from customers	\$ 15,088,756	\$ 2,043,489	\$ 3,359,747
Received from municipality for services	227,037	-	-
Paid to suppliers for goods and services	(11,755,148)	(536,827)	(1,196,560)
Paid to employees for services	(984,665)	(446,554)	(566,258)
Net cash flows from operating activities	2,575,980	1,060,108	1,596,929
Cash Flows From Investing Activities			
Investment income	14,458	7,158	6,502
Net cash flows from investing activities	14,458	7,158	6,502
Cash Flows From Noncapital Financing Activities			
Paid to municipality for tax equivalent	(461,693)	(286,576)	-
Debt retired	(2,973)	-	-
Transfers to/from other funds	(495,184)	(148,410)	(212,092)
Net cash flows from noncapital financing activities	(959,850)	(434,986)	(212,092)
Cash Flows From Capital and Related Financing Activities			
Debt retired	(280,000)	(105,000)	(712,512)
Interest paid	(67,819)	(53,265)	(143,980)
Acquisition and construction of capital assets	(1,196,595)	(192,158)	(624,561)
Proceeds from sale/transfer of capital assets	-	-	-
Capital contributions received	129,128	35,127	40,812
Impact fees received	-	351,845	247,172
Net cash flows from capital and related financing activities	(1,415,286)	36,549	(1,193,069)
Net change in cash and cash equivalents	215,302	668,829	198,270
Cash and Cash Equivalents, Beginning	3,540,633	3,256,370	3,592,785
Cash and Cash Equivalents, Ending	\$ 3,755,935	\$ 3,925,199	\$ 3,791,055

See notes to financial statements
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	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Nonmajor Enterprise Funds	Total	
	\$ 1,256,782	\$ 21,748,774	\$ 301,545
	-	227,037	-
	(1,088,826)	(14,577,361)	(734,829)
	(149,577)	(2,147,054)	(378,050)
	18,379	5,251,396	(811,334)
	1,950	30,068	586
	1,950	30,068	586
	-	(748,269)	-
	-	(2,973)	-
	(52,880)	(908,566)	915,995
	(52,880)	(1,659,808)	915,995
	-	(1,097,512)	-
	(2,117)	(267,181)	-
	-	(2,013,314)	-
	6,718	6,718	-
	-	205,067	-
	-	599,017	-
	4,601	(2,567,205)	-
	(27,950)	1,054,451	105,247
	894,345	11,284,133	216,731
	\$ 866,395	\$ 12,338,584	\$ 321,978

See notes to financial statements
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City of River Falls

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

	Business-Type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
Reconciliation of Operating Income (Loss) to Net Cash			
Flows From Operating Activities			
Operating income (loss)	\$ 1,425,239	\$ 589,082	\$ 853,622
Nonoperating revenue	29,389	-	-
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	1,146,752	476,517	850,036
Depreciation charged to other funds	-	52,081	(52,081)
Changes in assets and liabilities:			
Accounts receivable	(33,739)	11,274	22,880
Other receivables	151,987	720	3,581
Inventories	(114,129)	-	-
Prepaid items	59	(506)	182
Due from other funds	-	-	-
Accounts payable	103,210	(11,348)	(26,217)
Accrued liabilities	(19,833)	2,246	866
Due to other funds	-	-	-
Customer deposits	(4,298)	-	-
Compensated absences	16,867	(208)	9,150
Other postemployment benefits and related deferrals	23,759	(1,283)	(2,002)
Pension related deferrals and asset/liability	(149,283)	(58,467)	(63,088)
Net cash flows from operating activities	<u>\$ 2,575,980</u>	<u>\$ 1,060,108</u>	<u>\$ 1,596,929</u>
Reconciliation of Cash and Cash Equivalents to the Statement of Net Position, Proprietary Funds			
Cash and investments	\$ 3,286,405	\$ 3,659,486	\$ 1,488,591
Restricted cash and investments	469,530	265,713	2,292,464
Cash and cash equivalents	<u>\$ 3,755,935</u>	<u>\$ 3,925,199</u>	<u>\$ 3,791,055</u>
Noncash Capital and Related Financing Activities			
None			

See notes to financial statements
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	Business-Type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
	Nonmajor Enterprise Funds	Total	
\$ (410,746)	\$ 2,457,197	\$ (845,491)	
14,052	43,441	120	
205,254	2,678,559	52,740	
338,107	338,522	-	
-	156,288	(576)	
-	(114,129)	-	
(226)	(491)	4,096	
-	-	4,500	
(16,790)	48,855	5,679	
(191)	(16,912)	2,310	
(77,303)	(77,303)	-	
(15,000)	(19,298)	-	
-	25,809	-	
-	20,474	-	
(18,778)	(289,616)	(34,712)	
\$ 18,379	\$ 5,251,396	\$ (811,334)	
\$ 866,395	\$ 9,310,877	\$ 321,978	
-	3,027,707	-	
\$ 866,395	\$ 12,338,584	\$ 321,978	

See notes to financial statements
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City of River Falls

Statement of Fiduciary Net Position
Fiduciary Fund
December 31, 2021

Assets	
Cash and investments	
Taxes receivable	
Total assets	
Liabilities	
Due to other taxing units	
Total liabilities	
Net Position	
Total net position	

Custodial Fund
Tax Collection Fund
\$ 3,683,345
12,262,165
15,925,510
15,925,510
15,925,510
\$ -

City of River Falls

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

Additions	
Property taxes collected for other governments	
Total additions	
Deductions	
Property taxes distributed to other governments	
Total deductions	
Change in fiduciary net position	
Net Position, Beginning	
Net Position, Ending	

Custodial Fund
Tax Collection Fund
\$ 11,030,048
11,030,048
11,030,048
11,030,048
11,030,048
-
-
\$ -

See notes to financial statements
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City of River Falls

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December 31, 2021

City of River Falls

Notes to Financial Statements
December 31, 2021

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1. Summary of Significant Accounting Policies

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

Reporting Entity

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

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

Discretely Presented Component Unit

Business Improvement District

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Government-Wide and Fund Financial Statements

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

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

Funds are organized as major funds or nonmajor funds within the governmental and proprietary 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:

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

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

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

The City reports the following major governmental funds:

General Fund

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

Special Revenue Funds

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

Capital Projects Funds

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

Enterprise Funds

The City reports the following major enterprise funds:

Electric Utility accounts for operations of the Electric system.

Water Utility accounts for operations of the Water system.

Sewer Utility accounts for operations of the Sewer system.

The City reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds

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

Parking Improvements	Tax Increment District #16
Refuse and Solid Waste	Tax Increment District #17
Shared Ride Taxi	Tax Increment District #18
Environmental Fee	Library
Park Acquisition Fund	Commercial Revolving Loan Fund
Tax Increment District #5	Park Impact Fees
Tax Increment District #6	Library Impact Fees
Tax Increment District #8	Fire Impact Fees
Tax Increment District #9	Housing Reserve
Tax Increment District #11	Library Trust Fund
Tax Increment District #12	Tourism and Economic Development
Tax Increment District #13	American Rescue Plan Act
Tax Increment District #14	
Tax Increment District #15	

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City of River Falls

Notes to Financial Statements
December 31, 2021

Debt Service Funds

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

Notes
Bonds

Capital Projects Funds

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

Capital Equipment

Enterprise Funds

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

Stormwater
Ambulance

In addition, the City reports the following fund types:

Internal Service Funds

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

City Hall
Motor Pool
Technology
Maintenance

Custodial Funds

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

Tax Collection Fund

City of River Falls

Notes to Financial Statements
December 31, 2021

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements

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

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

Fund Financial Statements

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

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

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

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

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

Proprietary and Fiduciary Funds

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

City of River Falls

Notes to Financial Statements
December 31, 2021

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

All Financial Statements

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

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

Deposits and Investments

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

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

- a. Time deposits in any credit union, bank, savings bank or trust company.
- b. Bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state. Also, bonds issued by a local exposition district, a local professional baseball park district, a local professional football stadium district, a local cultural arts district, the University of Wisconsin Hospitals and Clinics Authority or the Wisconsin Aerospace Authority.
- c. Bonds or securities issued or guaranteed by the federal government.
- d. The local government investment pool.
- e. Any security maturing in seven years or less and having the highest or second highest rating category of a nationally recognized rating agency.
- f. Securities of an open-end management investment company or investment trust, subject to various conditions and investment options.
- g. Repurchase agreements with public depositories, with certain conditions.

Investment of most trust funds including cemetery perpetual care funds, is regulated by Chapter 887 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.

City of River Falls

Notes to Financial Statements
December 31, 2021

Custodial Credit Risk

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

Credit Risk

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

Concentration of Credit Risk

The City will diversify investments according to the following limits:

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

Interest Rate Risk

Maturities of individual securities must be in compliance with Section 66.0603(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.

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 statement balance and carrying value is due to outstanding checks and/or deposits in transit.

City of River Falls

Notes to Financial Statements
December 31, 2021

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2021, the fair value of the City's share of the LGIP's assets was substantially equal to the amount as reported in these statements.

See Note 3 for further information.

Receivables

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

Property tax calendar - 2021 tax roll:

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

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

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

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

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Inventories and Prepaid Items

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

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

Restricted Assets

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

Capital Assets

Government-Wide Statements

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 general capital assets and \$100,000 for infrastructure assets and an estimated useful life in excess of 1 year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

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

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

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

Fund Financial Statements

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

City of River Falls

Notes to Financial Statements
December 31, 2021

Deferred Outflows of Resources

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

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

Compensated Absences

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

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

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at December 31, 2021, are determined on the basis of current salary rates and include salary related payments.

Long-Term Obligations

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

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

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

Deferred Inflows of Resources

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

Equity Classifications

Government-Wide Statements

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

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

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

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

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

Fund Statements

Governmental fund balances are displayed as follows:

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

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City of River Falls

Notes to Financial Statements
December 31, 2021

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

e. **Unassigned** - Includes residual positive fund balance within the general fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those purposes.

Proprietary fund equity is classified the same as in the government-wide statements.

The City considers restricted amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents/contracts that prohibit from doing this, such as in grant agreements requiring dollar for dollar spending. Additionally, the City would first use committed, then assigned and lastly, unassigned amounts of unrestricted fund balance when expenditures are made.

See Note 3 for further information.

Pension

For purposes of measuring the net pension liability (asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense have been determined on the same basis as they are reported by the City OPEB Plan. For this purpose, the City OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms.

Basis for Existing Rates

Current electric rates were approved by the PSCW effective September 29, 2020.

Current water rates were approved by the PSCW effective June 27, 2016.

Current sewer rates were approved by the City Council on March 12, 2012.

Current stormwater rates were effective April 1, 2007.

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City of River Falls

Notes to Financial Statements
December 31, 2021

2. Stewardship, Compliance and Accountability

Excess Expenditures and Other Financing Uses Over Budget

Budgeted expenditures in the Tax Incremental Fund #10 fund (including amendments) were \$461,599. Total expenditures were \$465,490. This results in excess expenditures of \$3,891.

The City controls expenditures at the department level. Some individual departments experienced expenditures which exceeded appropriations. The detail of those items can be found in the City's year-end budget to actual report.

Deficit Balances

Generally accepted accounting principles require disclosure of individual funds that have deficit balances at year end.

As of December 31, 2021, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF #10 General Capital Projects	\$ 3,284,958 981,468	Insufficient tax increment generated Costs exceeded revenues due to capital expenditures
TIF #5	10,538	Insufficient tax increment generated
TIF #6	879,420	Insufficient tax increment generated
TIF #8	29,662	Insufficient tax increment generated
TIF #9	362,199	Insufficient tax increment generated
TIF #11	299,491	Insufficient tax increment generated
TIF #12	546,648	Insufficient tax increment generated
TIF #14	247,928	Insufficient tax increment generated
TIF #15	25,254	Insufficient tax increment generated
TIF #16	12,966	Insufficient tax increment generated
TIF #17	13,029	Insufficient tax increment generated
TIF #18	521,716	Insufficient tax increment generated
Fire Impact Fees	30,142	Insufficient revenues to cover expenditures
Tourism and Economic Development	672,919	Costs exceeded revenues due to purchase of property
Commercial Revolving Loan Fund	66,441	Costs exceeded revenues due to the long-term nature of loan repayments
Debt Service Bonds	19,863	Insufficient revenues to cover expenditures

TIF district deficits are anticipated to be funded with future incremental taxes levied over the life of the districts, which is 27 years for the districts created before October 1, 1995, and 23 years for districts created thereafter through September 30, 2004. Beginning October 1, 2004, the life of new districts varies by type of district (20-27 years) and may be extended in some cases. Remaining fund deficits are anticipated to be funded with future contributions, general tax revenues, or repayment of advanced funds.

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City of River Falls

Notes to Financial Statements
December 31, 2021

Limitations on the City's Tax Levy

Wisconsin law limits the City's future tax levies. Generally the City is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the City's equalized value due to new construction or 0%. Changes in debt service from one year to the next are generally exempt from this limit with certain exceptions. The City is required to reduce its allowable levy by the estimated amount of fee revenue it collects for certain services, if those services were funded in 2013 by the property tax levy. Levies can be increased above the allowable limits if the amount is approved by referendum.

3. Detailed Notes on All Funds

Deposits and Investments

The City's deposits and investments at year end were comprised of the following:

	Carrying Value	Bank and Investment Balances	Associated Risks
Deposits	\$ 4,064,316	\$ 4,149,736	Custodial credit
LGIP	24,043,063	24,043,063	Credit
U.S. treasuries	939,544	939,544	Custodial credit, interest rate
Corporate bonds	521,856	521,856	Custodial credit, credit, interest rate, concentration of credit
Asset-backed securities	213,119	213,119	Custodial credit, credit, interest rate, concentration of credit
Municipally-held securities	897,902	897,902	Custodial credit, credit, interest rate, concentration of credit
Mortgage-backed securities	927,162	927,162	Custodial credit, credit, interest rate, concentration of credit
Petty cash	714	-	N/A
Total deposits and investments	<u>\$ 31,607,676</u>	<u>\$ 31,692,382</u>	

Reconciliation to financial statements

Per statement of net position:	
Unrestricted cash and investments	\$ 24,916,624
Restricted cash and investments	3,027,707
Per statement of net position, fiduciary fund:	
Custodial fund	<u>3,663,345</u>
Total deposits and investments	<u>\$ 31,607,676</u>

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City of River Falls

Notes to Financial Statements
December 31, 2021

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

Deposits in investments at Security Financial Bank are collateralized by \$8,000,000 of Federal Home Loan Bank letters of credit, surety bonds.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Quoted market prices
- Matrix modeled pricing

Investment Type	December 31, 2021		
	Level 1	Level 2	Level 3
U.S. treasuries	\$ -	\$ 939,544	\$ -
Corporate bonds	-	521,856	-
Asset-backed securities	-	213,119	-
Municipally-held securities	-	897,902	-
Mortgage-backed securities	-	927,162	-
Total	<u>\$ -</u>	<u>\$ 3,499,583</u>	<u>\$ -</u>

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to the City.

The City does not have any deposits exposed to custodial credit risk.

Investments

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

The City does not have any investments exposed to custodial credit risk.

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City of River FallsNotes to Financial Statements
December 31, 2021**Credit Risk**

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

As of December 31, 2021, the City's investments were rated as follows:

Investment Type	Standard & Poors
Corporate bonds	AA+/AA/AA-/A+/A1
Asset-backed securities	AAA
Municipality-held securities	AAA/AA+/AA/AA-
Mortgage-backed securities	AA+

Some of the City's municipally-held securities were not rated.

The City also held investments in the following external pool which are not rated:

Local Government Investment Pool

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

None of the City's investments with concentration of credit risk as an associated risk comprised more than 5% of its total investment portfolio at year-end.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment.

As of December 31, 2021, the City's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than One Year	One - Five	Six - Ten	More than Ten
U.S. treasuries	\$ 939,544	\$ -	\$ 939,544	\$ -	\$ -
Corporate bonds	521,856	105,722	231,714	184,420	-
Asset-backed securities	213,119	-	123,958	89,161	-
Municipality-held securities	897,902	64,933	699,524	133,445	-
Mortgage-backed securities	927,162	246,528	670,617	-	10,017
Total	\$ 3,499,583	\$ 417,183	\$ 2,665,357	\$ 407,026	\$ 10,017

See Note 1 for further information on deposit and investment policies.

Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$50,405 in the general fund and \$3,373 in the general capital projects fund; loans of \$287,000 in TIF #10, \$100,050 in the general capital projects fund and \$463,434 in nonmajor governmental funds; and other receivables of \$14,094 in the water utility and \$10,892 in the sewer utility.

City of River FallsNotes to Financial Statements
December 31, 2021

Revenues of the ambulance fund are reported net of contractual cost reductions related to Medicare and Medicaid and amount to \$878,145 for the current period.

Allowances for uncollectible receivables as of year-end are as follows:

General Fund	
Allowance for various uncollectible receivables	\$ 23,894
Nonmajor Enterprise Funds	
Allowance for uncollectible ambulance receivables	\$ 1,297,567

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	\$ 8,828,103	\$ 4,455
Special assessments receivable	7,634	46,099
Grants receivable	-	2,250
Loans receivable	-	1,082,303
Developer deposits	3,415,644	-
Miscellaneous	-	141,702
Grant funds received in advance of incurring allowable expenditures	838,761	-
Total unearned/unavailable revenue for governmental funds	\$ 13,090,142	\$ 1,276,809
Unearned revenue included in liabilities	\$ 4,254,405	
Unearned revenue included in deferred inflows	8,835,737	
Total unearned revenue for governmental funds	\$ 13,090,142	

Restricted Assets

The following represent the balances of the restricted assets:

Long-Term Debt Accounts

Redemption - Used to segregate resources accumulated for debt service payments over the next twelve months.

Reserve - Used to report resources set aside to make up potential future deficiencies in the redemption account.

Equipment Replacement Account

The sewer utility established an equipment replacement account to be used for significant mechanical equipment replacement as required by the Wisconsin Department of Natural Resources.

City of River Falls

Notes to Financial Statements
December 31, 2021

Impact Fee Account

The City has received impact fees which must be spent in accordance with the local ordinance and state statutes. Any unspent funds must be refunded to the current property owner.

Net Pension Asset

Restricted assets have been reported in connection with the net pension asset balance since this balance must be used to fund employee benefits.

Following is a list of restricted assets at December 31, 2021:

Restricted assets:	
Bond redemption account	\$ 848,718
Bond reserve account	747,313
Impact fee account	435,585
Replacement account	996,091
Net pension asset	<u>3,736,125</u>
Total restricted assets	<u>\$ 6,763,832</u>

Capital Assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated / amortized:				
Land	\$ 15,632,657	\$ 700,321	\$ -	\$ 16,332,978
Construction in progress	4,190,319	346,509	4,101,968	434,860
Total capital assets not being depreciated / amortized	19,822,976	1,046,830	4,101,968	16,767,838
Capital assets being depreciated / amortized:				
Land improvements	3,005,000	36,701	-	3,041,701
Buildings	18,121,083	4,243,661	-	22,364,744
Machinery and equipment	8,958,527	435,457	64,711	9,329,273
Infrastructure	38,203,828	-	-	38,203,828
Intangibles	373,105	-	-	373,105
Total capital assets being depreciated / amortized	68,661,543	4,715,819	64,711	73,312,651
Total capital assets	88,484,519	5,762,649	4,166,679	90,080,489

City of River Falls

Notes to Financial Statements
December 31, 2021

Less accumulated depreciation / amortization

for:

Land improvements	\$ (364,761)	\$ (78,190)	\$ -	\$ (442,951)
Buildings	(7,160,915)	(494,997)	-	(7,655,912)
Machinery and equipment	(4,330,324)	(452,790)	64,711	(4,718,403)
Infrastructure	(10,201,906)	(554,326)	-	(10,756,232)
Intangibles	(237,574)	(31,117)	-	(268,691)

Total accumulated depreciation / amortization (22,295,490) (1,611,420) 64,711 (23,842,199)

Net capital assets being depreciated / amortized 46,366,063 3,104,399 - 49,470,462

Total governmental activities capital assets, net of accumulated depreciation / amortization \$ 66,189,039 \$ 4,151,229 \$ 4,101,968 \$ 66,238,300

Depreciation / amortization expense was charged to functions as follows:

Governmental Activities

General government	\$ 164,053
Public safety	263,781
Public works	784,951
Leisure activities	388,516
Conservation and development	10,119

Total governmental activities depreciation / amortization expense \$ 1,611,420

City of River Falls

Notes to Financial Statements
December 31, 2021

Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
Electric				
Capital assets not being depreciated:				
Land and land rights	\$ 122,960	\$ -	\$ -	\$ 122,960
Construction in progress	167,145	535,980	686,640	16,485
Total capital assets not being depreciated	290,105	535,980	686,640	139,445
Capital assets being depreciated:				
Hydraulic production	932,179	-	-	932,179
Other production	1,260,829	-	-	1,260,829
Transmission	2,676,475	-	-	2,676,475
Distribution	25,781,688	1,245,620	433,763	26,593,545
General	2,630,919	65,802	9,433	2,687,288
Total capital assets being depreciated	33,282,090	1,311,422	443,196	34,150,316
Total capital assets	33,572,195	1,847,402	1,129,836	34,289,761
Less accumulated depreciation for:				
Hydraulic production	(723,423)	(20,446)	-	(743,869)
Other production	(789,614)	(25,127)	-	(814,741)
Transmission	(969,400)	(86,113)	-	(1,055,513)
Distribution	(10,326,893)	(888,715)	469,283	(10,746,325)
General	(1,631,834)	(126,351)	9,433	(1,748,752)
Total accumulated depreciation	(14,441,164)	(1,146,752)	478,716	(15,109,200)
Net capital assets being depreciated	18,840,926	164,670	(35,520)	19,041,116
Net electric capital assets	\$ 19,131,031	\$ 700,650	\$ 651,120	\$ 19,180,561

City of River Falls

Notes to Financial Statements
December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated:				
Land and land rights	\$ 23,120	\$ -	\$ -	\$ 23,120
Construction in progress	134,698	88,920	44,935	178,683
Total capital assets not being depreciated	157,818	88,920	44,935	201,803
Capital assets being depreciated:				
Source of supply	881,451	-	-	881,451
Pumping	2,097,693	29,235	3,157	2,123,771
Water treatment	49,671	-	-	49,671
Transmission and distribution	18,068,012	133,057	17,336	18,183,733
General	559,744	-	-	559,744
Total capital assets being depreciated	21,656,571	162,292	20,493	21,798,370
Total capital assets	21,814,389	251,212	65,428	22,000,173
Less accumulated depreciation for:				
Source of supply	(229,770)	(30,181)	-	(259,951)
Pumping	(760,429)	(61,069)	3,157	(818,341)
Water treatment	(24,975)	(2,695)	-	(27,670)
Transmission and distribution	(5,815,561)	(402,797)	17,336	(6,201,022)
General	(326,316)	(31,857)	-	(358,173)
Total accumulated depreciation	(7,177,051)	(528,599)	20,493	(7,685,157)
Net capital assets being depreciated	14,479,520	(366,307)	-	14,113,213
Net water capital assets	\$ 14,637,338	\$ (277,387)	\$ 44,935	\$ 14,315,016
Sewer				
Capital assets not being depreciated:				
Land and land rights	\$ 117,622	\$ -	\$ -	\$ 117,622
Construction in progress	2,549,181	817,656	2,119,590	1,247,247
Total capital assets not being depreciated	2,666,803	817,656	2,119,590	1,364,869
Capital assets being depreciated:				
Collection system	17,867,521	165,408	11,553	18,021,376
Collection system pumping	1,028,479	-	57,161	971,318
Treatment and disposal	11,143,262	1,909,755	1,648,094	11,404,923
General	3,226,091	-	-	3,226,091
Intangibles	98,839	-	7,487	91,352
Total capital assets being depreciated	33,364,192	2,075,163	1,724,295	33,715,060
Total capital assets	36,030,995	2,892,819	3,843,885	35,079,929
Less accumulated depreciation for:				
Collection system	(3,844,672)	(192,305)	14,457	(4,022,520)
Collection system pumping	(838,409)	(20,274)	76,236	(782,447)
Treatment and disposal	(5,551,326)	(373,940)	1,599,632	(4,325,634)
General	(1,362,764)	(125,070)	-	(1,487,834)
Total accumulated depreciation	(11,597,171)	(711,599)	1,690,325	(10,618,435)
Net capital assets being depreciated	21,767,021	1,363,574	33,970	23,096,625
Net sewer capital assets	\$ 24,433,824	\$ 2,181,230	\$ 2,153,560	\$ 24,461,494

City of River Falls

Notes to Financial Statements
December 31, 2021

	Beginning Balance	Additions	Deletions	Ending Balance
Stormwater				
Capital assets not being depreciated:				
Construction in progress	\$ 64,350	\$ -	\$ -	\$ 64,350
Total capital assets not being depreciated	64,350	-	-	64,350
Capital assets being depreciated:				
Machinery and equipment	143,440	-	-	143,440
Collection system	8,819,665	-	-	8,819,665
Total capital assets being depreciated	8,963,105	-	-	8,963,105
Total capital assets	9,027,455	-	-	9,027,455
Less accumulated depreciation for:				
Machinery and equipment	(124,139)	(15,827)	-	(139,966)
Collection system	(2,518,418)	(162,557)	-	(2,680,975)
Total accumulated depreciation	(2,642,557)	(178,384)	-	(2,820,941)
Net capital assets being depreciated	6,320,548	(178,384)	-	6,142,164
Net stormwater capital assets	\$ 6,384,898	\$ (178,384)	\$ -	\$ 6,206,514
	Beginning Balance	Additions	Deletions	Ending Balance
Ambulance				
Capital assets not being depreciated:				
Land	\$ 101,298	\$ -	\$ -	\$ 101,298
Total capital assets not being depreciated	101,298	-	-	101,298
Capital assets being depreciated:				
Buildings	601,408	-	-	601,408
Machinery and equipment	61,173	-	25,188	35,985
Total capital assets being depreciated	662,581	-	25,188	637,393
Total capital assets	763,879	-	25,188	738,691
Less accumulated depreciation for:				
Buildings	(483,025)	(21,830)	-	(504,855)
Machinery and equipment	(47,616)	-	13,430	(34,186)
Total accumulated depreciation	(530,641)	(21,830)	13,430	(539,041)
Net capital assets being depreciated	131,940	(21,830)	11,758	98,352
Net ambulance capital assets	\$ 233,238	\$ (21,830)	\$ 11,758	\$ 199,650
Business-type capital assets, net of accumulated depreciation	\$ 64,820,329	\$ 2,404,279	\$ 2,861,373	\$ 64,363,235

City of River Falls

Notes to Financial Statements
December 31, 2021

Depreciation / amortization expense was charged to functions as follows:

Business-Type Activities	
Electric	\$ 1,146,752
Water	476,517
Sewer	850,036
Stormwater	178,384
Ambulance	26,870
	<u>\$ 2,678,559</u>
Total business-type activities depreciation expense	

Depreciation expense is different from additions because of joint metering, salvage and cost of removal.

Interfund Receivables/Payables, Advances and Transfers

Interfund Receivables/Payables

The following is a schedule of interfund receivables and payables including any overdrafts on pooled cash and investment accounts:

Receivable Fund	Payable Fund	Amount
General Fund	TIF District #5	\$ 9,126
General Fund	TIF District #11	114,867
General Fund	TIF District #14	243,305
General Fund	TIF District #17	12,969
General Fund	TIF District #18	16,805
General Fund	Refuse and Solid Waste	57,435
General Fund	Commercial Revolving Loan	66,771
General Fund	Fire Impact Fee	26,669
General Fund	Debt Service Bonds	37,441
General Fund	Debt Service Notes	203
General Fund	Motor Pool	24,192
Total, fund financial statements		609,783
Less fund eliminations		(609,783)
Add interfund receivables created with internal service fund eliminations		<u>2,146,350</u>
Total internal balances, government-wide statement of net position		\$ 2,146,350

All amounts are due within one year.

All balances resulted from the time lag between the dates that: (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

Advances

The general fund is advancing funds to TIF Districts No. 6, No. 8, No. 9, No. 10, No. 11, No. 12, No. 15, No. 16 and No. 18. The amount advanced is deficiency of revenues and other financing sources over expenditures and other financing uses since each District's inception. No repayment schedule has been established for the TIF District advances.

City of River Falls

Notes to Financial Statements
December 31, 2021

In 2011, the environmental fee fund advanced \$1,000,000 to the tourism and economic development fund. No repayment schedule has been established.

In 2017, the capital projects fund advanced \$500,000 to TIF District No. 10. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District #6	\$ 917,045	\$ 917,045
General Fund	TIF District #8	118,157	118,157
General Fund	TIF District #9	381,709	381,709
General Fund	TIF District #10	2,422,711	2,422,711
General Fund	TIF District #11	164,612	164,612
General Fund	TIF District #12	629,726	629,726
General Fund	TIF District #15	600,000	600,000
General Fund	TIF District #16	800,000	800,000
General Fund	TIF District #18	504,571	504,571
General Capital Projects	TIF District #10	500,000	500,000
Environmental Fee	TIF District #10	500,000	500,000
Environmental Fee	Tourism and Economic Development	1,000,000	1,000,000
Total, fund financial statements		8,538,531	
Less fund eliminations		(8,538,531)	
Total, interfund advances, government-wide statement of net position		\$ -	

In addition to the interfund advances scheduled above, the General Fund paid a portion of its general property tax levy to TIF Districts No. 5, 9 and 10. The TIF Districts are contingently liable for repayment of these amounts to the General Fund, if the districts have sufficient resources. Net property tax levies advanced as of December, 31 2021 are as follows:

TIF District No. 5	\$ 1,549,267
TIF District No. 9	202,127
TIF District No. 10	337,423

City of River Falls

Notes to Financial Statements
December 31, 2021

Transfers

The following is a schedule of interfund transfers:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General	TIF #10	\$ 29,123	Budgeted allocations
General	General capital projects	51,388	Budgeted allocations
General	Nonmajor governmental funds	480,273	Budgeted allocations
General	Electric utility	696,811	Property tax equivalent & budgeted allocations
General	Water utility	375,752	Property tax equivalent & budgeted allocations
General	Sewer utility	132,821	Budgeted allocations
General	Nonmajor enterprise funds	33,149	Budgeted allocations
General	Internal service funds	63,792	Budgeted allocations
Nonmajor governmental funds	General	90,330	Budgeted allocations
Nonmajor governmental funds	Nonmajor governmental funds	39,565	Budgeted allocations
Nonmajor governmental funds	Internal service funds	151,122	Budgeted allocations
Internal service funds	General	630,866	Budgeted allocations
Internal service funds	Nonmajor governmental funds	81,741	Budgeted allocations
Internal service funds	Nonmajor enterprise funds	19,731	Budgeted allocations
Internal service funds	Internal service funds	102,084	Budgeted allocations
Internal service funds	Electric utility	280,066	Budgeted allocations
Internal service funds	Water utility	59,234	Budgeted allocations
Internal service funds	Sewer utility	79,271	Budgeted allocations
Total, fund financial statements		3,377,119	Budgeted allocations
Less fund eliminations		(1,720,284)	
Total transfers, government-wide statement of activities		\$ 1,656,835	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

City of River Falls

Notes to Financial Statements
December 31, 2021

Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2021, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Governmental Activities					
Bonds and notes payable:					
General obligation debt	\$ 17,670,000	\$ -	\$ 1,415,000	\$ 16,255,000	\$ 1,365,000
General obligation bonds or notes from direct borrowings and direct placements (Discounts)/Premiums	3,029,361	-	466,379	2,572,982	430,704
	854,665	-	60,728	794,157	-
Total bonds and notes payable	21,554,246	-	1,932,107	19,622,139	1,795,704
Other liabilities:					
Vested compensated absences	232,765	8,081	5,804	235,042	235,042
Other postemployment benefits	764,025	-	51,961	712,064	-
Landfill postclosure care cost	114,807	8,037	15,513	107,331	15,513
Total other liabilities	1,111,597	16,118	73,278	1,054,437	250,555
Total governmental activities long-term liabilities	\$ 22,665,843	\$ 16,118	\$ 2,005,385	\$ 20,676,576	\$ 2,046,259
Business-Type Activities					
Bonds and notes payable:					
General obligation debt	\$ 980,000	\$ -	\$ 315,000	\$ 665,000	\$ 325,000
Revenue bonds	7,425,000	-	540,000	6,885,000	555,000
Revenue bonds from direct borrowings and direct placements	1,016,895	-	192,512	824,383	197,798
Other long-term debt from direct borrowings and direct placements (Discounts)/Premiums:	486,306	-	52,973	433,333	50,000
Bond discount	181,654	-	26,997	154,657	-
Total bonds and notes payable	10,089,855	-	1,127,482	8,962,373	1,127,798
Other liabilities:					
Vested compensated absences	84,396	25,809	-	110,205	110,205
Other postemployment benefits	132,416	11,072	-	143,488	-
Total other liabilities	216,812	36,881	-	253,693	110,205
Total business-type activities long-term liabilities	\$ 10,306,667	\$ 36,881	\$ 1,127,482	\$ 9,216,066	\$ 1,238,003

In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed 5% of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2021, was \$65,795,550. Total general obligation debt outstanding at year end was \$19,492,982.

City of River Falls

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General Obligation Debt

All general obligation debt payable is backed by the full faith and credit of the City. Debt in the governmental funds will be retired by future property tax levies or tax increments accumulated by the special revenue, debt service and capital projects funds. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies.

Governmental Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
General Obligation Debt					
Refunding Bonds	03/2012	03/2028	2.4%	\$ 4,560,000	\$ 1,020,000
Corporate Purpose Bonds	08/2014	06/2034	3.0-4.0	5,425,000	3,640,000
State Trust Fund Loan *	07/2015	03/2034	3.75	1,600,000	1,196,666
State Trust Fund Loan *	10/2015	03/2025	3.25	269,800	131,324
Promissory Note *	10/2015	10/2025	2.94	575,000	231,792
Refunding Bonds	04/2016	03/2029	2.0-3.0	4,060,000	3,020,000
Park Bonds	07/2018	04/2033	3.0-3.2	3,460,000	2,895,000
Promissory Note *	12/2018	12/2023	3.33	516,000	206,400
Promissory Note *	11/2019	11/2029	2.54	620,000	496,000
Promissory Note *	11/2019	11/2024	2.09	518,000	310,800
Corporate Purpose Bonds	06/2020	03/2040	2.0-4.0	5,740,000	5,680,000
Total governmental activities, general obligation debt				\$ 18,827,982	\$ 18,827,982
Business-Type Activities					
General Obligation Debt					
Refunding Bonds	08/2012	05/2023	1.0-2.5%	\$ 3,165,000	\$ 665,000
Total business-type activities, general obligation debt				\$ 3,165,000	\$ 665,000

* - considered direct placement or direct borrowing

City of River Falls

Notes to Financial Statements
December 31, 2021

Debt service requirements to maturity are as follows:

Years	Governmental Activities		Business-Type Activities	
	Principal	Interest	General Obligation Debt	Principal
2022	\$ 1,365,000	\$ 464,330	\$ 325,000	\$ 10,050
2023	1,215,000	416,459	340,000	3,400
2024	1,250,000	374,610	-	-
2025	1,290,000	333,688	-	-
2026	1,335,000	294,890	-	-
2027-2031	5,910,000	901,273	-	-
2032-2036	2,970,000	247,949	-	-
2037-2040	920,000	33,900	-	-
Total	\$ 16,255,000	\$ 3,067,099	\$ 665,000	\$ 13,450

Years	Governmental Activities		Business-Type Activities	
	Principal	Interest	Borrowings and Direct Placements	Principal
2022	\$ 430,704	\$ 79,821		
2023	434,463	67,141		
2024	335,044	55,314		
2025	235,589	46,223		
2026	146,727	39,183		
2027-2031	659,664	124,626		
2032-2034	330,791	25,013		
Total	\$ 2,572,982	\$ 437,321		

Revenue Debt

Business-type activities revenue bonds are payable only from revenues derived from the operation of the electric, water, and sewer utilities.

The electric utility has pledged future electric utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2018. The bonds are payable solely from electric utility revenues and are payable through 2028. Annual principal and interest payments on the bonds are expected to require 11.43% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,068,525. Principal and interest paid for the current year and total customer net revenues were \$297,650 and \$2,586,449, respectively.

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2011. The bonds are payable solely from water utility revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 14.59% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,565,355. Principal and interest paid for the current year and total customer net revenues were \$157,765 and \$1,072,757, respectively.

The sewer utility has pledged future sewer utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2005 and 2016. The bonds are payable solely from sewer utility revenues and are payable through 2036. Annual principal and interest payments on the bonds are expected to require 21.36% of net revenues. The total principal and interest remaining to be paid on the bonds is \$5,479,100. Principal and interest paid for the current year and total customer net revenues were \$524,093 and \$1,710,160, respectively.

City of River Falls

Notes to Financial Statements
December 31, 2021

Revenue debt payable at December 31, 2021, consists of the following:

Business-Type Activities Revenue Debt

Electric Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Revenue Bonds	07/2018	04/2028	3.0-4.0%	\$ 2,500,000	\$ 1,855,000
Total Electric Utility					1,855,000

Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Revenue Bonds	07/2011	11/2031	2.0-4.4%	2,125,000	1,280,000
Total Water Utility					1,280,000

Sewer Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Revenue Bonds *	11/2005	05/2025	2.746%	3,317,130	824,383
Revenue Bonds	04/2016	05/2036	2.0-3.0%	4,510,000	3,750,000
Total Sewer Utility					4,574,383
Total business-type activities, revenue debt					\$ 7,709,383

* - Considered direct placement or direct borrowing

City of River Falls

Notes to Financial Statements
December 31, 2021

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December 31, 2021

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Revenue Debt	
	Principal	Interest
2022	\$ 555,000	\$ 204,805
2023	570,000	187,200
2024	590,000	168,795
2025	610,000	150,805
2026	625,000	133,425
2027-2031	2,510,000	403,250
2032-2036	1,425,000	109,275
Total	\$ 6,885,000	\$ 1,357,555

Years	Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements	
	Principal	Interest
2022	\$ 197,798	\$ 19,922
2023	203,230	14,416
2024	208,811	8,758
2025	214,544	2,946
Total	\$ 824,383	\$ 46,042

Other Loans Payable

Business-Type Activities	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2021
Other Loans Payable					
WPPI Loan *	05/2020	06/2030	0%	\$ 500,000	\$ 433,333
Total business-type activities other loans payable					\$ 433,333

* - Considered direct placement or direct borrowing

Debt service requirements to maturity are as follows:

Years	Business-Type Activities Other Loans Payable	
	Principal	Interest
2022	\$ 50,000	\$ -
2023	50,000	-
2024	50,000	-
2025	50,000	-
2026	50,000	-
2027-2030	183,333	-
Total	\$ 433,333	\$ -

Other Debt Information

Estimated payments of compensated absences, other postemployment benefits and landfill postclosure care costs are not included in the debt service requirement schedules. The liabilities attributable to governmental activities will be liquidated primarily by the general fund.

The City's outstanding State Trust Fund Loans from direct borrowings related to governmental activities of \$1,327,990 contain 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 \$1,244,992 and business-type activities of \$433,333 contain provisions that in an event of default, outstanding amounts become immediately due and payable.

The City's outstanding debt from direct borrowings or direct placements related to business-type activities of \$824,383 contain provisions that (1) any delinquent payments can be deducted from any state payments that are due to the City or a special charge may be added to the taxes apportioned to an levied upon the county in which the City is located and (2) in an event of default, outstanding amounts become immediately due and payable or the interest rate may be increased to the market interest rate and (3) any delinquent payments may be intercepted from the revenue of the utility system.

Closure and Postclosure Care Cost

State and federal laws and regulations require the City to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for until notified by the Wisconsin Department of Natural Resources that such maintenance and monitoring is no longer required, years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each balance sheet date. The \$107,331 reported as landfill closure and postclosure care liability at December 31, 2021, represents the estimated amount of future postclosure costs. These amounts are based on what it would cost to perform all postclosure care in 2021. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2021, includes the following:

Governmental Activities

Net investment in capital assets:	
Land	\$ 16,332,978
Construction in progress	434,860
Other capital assets, net of accumulated depreciation/amortization	49,470,462
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(18,827,982)
Plus noncapital debt proceeds	1,964,401
Less unamortized debt premium	(794,157)
Plus unamortized deferred charge on refunding	218,263
Total net investment in capital assets	\$ 48,798,825

City of River Falls

Notes to Financial Statements
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Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2021, include the following:

	General Fund	Tax Increment District #10	General Capital Projects Fund	Nonmajor Funds	Total
Fund Balances					
Nonspendable:					
Prepaid items	\$ 56,126	\$ -	\$ -	\$ 4,910	\$ 61,036
Advances to other funds	6,538,531	-	500,000	-	7,038,531
Subtotal	6,594,657	-	500,000	4,910	7,099,567
Restricted for:					
Debt service	-	-	-	16,130	16,130
Parking improvements	-	-	-	64,068	64,068
Refuse/solid waste	-	-	-	39,628	39,628
Shared ride taxi	-	-	-	10,199	10,199
Environmental fee	-	-	-	3,262,824	3,262,824
Future TIF expenditures	-	-	-	257,522	257,522
Library	-	-	-	246,741	246,741
Park impact fee projects	-	-	-	437,448	437,448
Library impact fee projects	-	-	-	124,900	124,900
Housing reserve	-	-	-	462,408	462,408
Library trust	-	-	-	155,149	155,149
Subtotal	-	-	-	5,077,017	5,077,017
Committed to:					
American Recovery Plan	-	-	-	257	257
Park acquisition	-	-	-	1,125	1,125
Equipment	-	-	-	1,028,623	1,028,623
Subtotal	-	-	-	1,030,005	1,030,005
Unassigned (deficit):	6,139,780	(3,284,958)	(1,481,468)	(3,738,216)	(2,364,862)
Total fund balances (deficit)	\$ 12,734,437	\$ (3,284,958)	\$ (981,468)	\$ 2,373,716	\$ 10,841,727
Business-Type Activities					
Net investment in capital assets:					
Land				\$	\$ 365,000
Construction in progress					1,506,765
Other capital assets, net of accumulated depreciation					62,491,470
Less Long-term debt outstanding					(8,807,716)
Plus unamortized loss on refunding					29,541
Less unamortized debt premium					(154,657)
Plus unspent debt proceeds					747,313
Total net investment in capital assets					\$ 56,177,716

City of River Falls

Notes to Financial Statements
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Component Unit

Business Improvement District

This report contains the Business Improvement District (BID), which is included as a component unit. The BID was established in 1988 pursuant to the law of the State of Wisconsin, to transact business and to have powers as defined therein. An independent board is responsible for all activities of the BID. The board members of the BID are separate from those of the City and employees are not included on or entitled to benefit programs of the City. Separate accounting records are maintained and debts incurred by the BID are not obligations of the City.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 57,683	\$ 57,683	Custodial credit risk

Custodial Credit Risk

Deposits

Custodial credit risk is the risk that in the event of a financial institution failure, the BID's deposits may not be returned to the BID.

The BID does not have any deposits exposed to custodial credit risk.

4. Other Information

Employees' Retirement System

Plan Description

The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year (680 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

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Notes to Financial Statements
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Vesting

For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided

Employees who retire at or after age 65 (54 for protective occupation employees, 62 for elected officials and executive service retirement participants, if hired on or before 12/31/2016) are entitled to retirement benefit based on a formula factor, their average earnings and creditable service.

Final average earnings is the average of the participant's three highest annual earnings period. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at age 55 (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.

Post-Retirement Adjustments

The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the Floor) set at retirement. The Core and Variable annuity adjustments granted during recent years are as follows:

Year	Core Fund Adjustment %	Variable Fund Adjustment %
2011	(1.2)	11.0
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0

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Notes to Financial Statements
December 31, 2021

Contributions

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including Teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives and Elected Officials category merged into the General Employee category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$677,794 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2021 are:

	Employee Category	Employee	Employer
General (Executives & Elected Officials)		6.75 %	6.75 %
Protective with Social Security		6.75 %	11.65 %
Protective without Social Security		6.75 %	16.25 %

Pension Asset, Pension Expense, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2021, the City reported an asset of \$3,736,125 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2020, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension asset was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.05984370%, which was an increase of 0.00061153% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized negative pension expense of \$351,494.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 5,407,320	\$ 1,164,727
Changes in assumptions	84,742	-
Net differences between projected and actual earnings on pension plan investments	-	7,014,271
Changes in proportion and differences between employer contributions and proportionate share of contributions	3,649	12,968
Employer contributions subsequent to the measurement date	614,669	-
Total	\$ 6,110,380	\$ 8,191,966

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City of River Falls

Notes to Financial Statements
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\$614,669 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources and Deferred Inflows of Resources (net)
2022	\$ (698,150)
2023	(190,678)
2024	(1,269,655)
2025	(537,772)

Actuarial Assumptions

The total pension liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2019
Measurement Date of Net Pension Liability (Asset):	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-Retirement Adjustments*:	1.9%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 actuarial valuation.

City of River Falls

Notes to Financial Statements
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Long-Term Expected Return on Plan Assets

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.3
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1
Variable Fund Asset Class			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.4%. Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations.

Single Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability for the current and prior year. This single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00%. (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2020. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.) Because of the unique structure of WRS, the 7.00% expected rate of return implies that a dividend of approximately 1.9% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

City of River Falls

Notes to Financial Statements
December 31, 2021

City of River Falls

Notes to Financial Statements
December 31, 2021

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension asset calculated using the discount rate of 7.00%, as well as what the City's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease to Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase to Discount Rate (8.00%)
	\$ 3,556,273	\$ (3,736,125)	\$ (9,092,337)

City's proportionate share of the net pension liability (asset)

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://efi.wi.gov/about-efi/reports-and-studies/financial-reports-and-statements>.

At December 31, 2021, the City reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to or destruction of assets; errors and omissions; workers compensation; and health care of its employees. All of these risks are covered through the purchase of commercial insurance, with minimal deductibles. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant reductions in coverage compared to the prior year.

Commitments and Contingencies

Claims and judgments are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. The liability and expenditure for claims and judgments are only reported in governmental funds if it has matured. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred.

From time to time, the City is party to various pending claims and legal proceedings. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the City attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the City's financial position or results of operations.

The City has active construction projects as of December 31, 2021. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

Long-Term Contracts, WPPI Energy

The electric utility is one of 51 WPPI Energy member municipalities located throughout the States of Wisconsin, Michigan and Iowa. On December 1, 1989, each initial WPPI Energy member commenced purchasing electric service from WPPI Energy under a long-term Power Supply Contract for Participating Members (long-term contract). Under the long-term contract, WPPI Energy is obligated to provide and sell, and each member is obligated to take and pay for, the electric power and energy required for the operation of each member's electric utility.

The long-term contract requires all WPPI Energy members to pay for power and energy requirements supplied or made available by WPPI Energy at rates sufficient to cover WPPI Energy's revenue requirement including power supply costs, administrative expenses and debt service. WPPI Energy's subsequent year's operating budget and rates are approved annually by its Board of Directors, consisting of representatives from each member. The members have agreed to charge rates to retail customers sufficient to meet their WPPI Energy obligations. The long-term contract provides that all payments to WPPI Energy constitute operating expenses of the utility payable from any operating and maintenance fund established for that system.

Fifty members, representing approximately 99.8% of WPPI Energy's existing load, have long-term contracts through December 31, 2055. The remaining member has a long-term contract through December 31, 2037.

WPPI Energy's outstanding debt service obligation to be paid by its members through their wholesale power charges through the remainder of the long-term contract was \$291 million as of December 31, 2021.

Joint Ventures

The City of River Falls and other municipalities jointly contract with the West Central Wisconsin Biosolids Facility Commission (facility) for the treatment, storage, disposal, recycling and/or sale of biosolids (sludge). Communities provided capital contributions to the facility as follows:

Hudson	41.39 %
River Falls	18.59 %
New Richmond	8.98 %
Prescott	8.93 %
Ellsworth	6.69 %
Amery	6.35 %
Baldwin	4.52 %
Spring Valley	2.00 %
Somerset	1.31 %
Roberts	1.24 %

The governing body is made up of citizens from each community. Local representatives are appointed by the mayor. The governing body has authority to adopt its own budget and control the financial affairs of the facility. The City believes that the facility will continue to provide services in the future at similar rates.

Debt is being repaid with resources of the sewer utility and is secured by revenues of the utility. The transactions of the facility are not reflected in these financial statements. Facility financial information as of December 31, 2021 is available from the facility office.

City of River Falls

Notes to Financial Statements
December 31, 2021

Other Postemployment Benefits

General Information about the OPEB Plan

Plan Description

The City's other postemployment benefit (OPEB) plan provides group health insurance coverage for all active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an OPEB for the retirees, commonly referred to as an implicit rate subsidy. The City administers its single-employer defined benefit OPEB plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75.

Benefits Provided

The City's OPEB plan provides healthcare benefits for retirees and their dependents. The benefit terms are established through personnel policy guidelines and may be amended by the action of the governing body. Retired plan members are required to pay 100% of the premium. Administrative costs of the plan are financed by the City.

Employees Covered by Benefit Terms

At December 31, 2021, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	4
Inactive plan members entitled to but not yet receiving benefit payments	3
Active plan members	40
Total	<u>47</u>

Total OPEB Liability

The City's total OPEB liability of \$855,552 was measured as of December 31, 2021, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.70%
Salary increases	3.20% average, including inflation
Healthcare cost trend rates	8.00% for 2022, decreasing 0.50% per year to an ultimate rate of 4.50% for 2029 and later years

The discount rate was based on a yield for 20-year tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Mortality rates were based on various SOA Pub-2010 Headcount Weighted Mortality Tables, using Scale MP-2021.

City of River Falls

Notes to Financial Statements
December 31, 2021

Some actuarial assumptions used in the December 31, 2021 valuation were based on the most recent WRS tables as of December 31, 2020.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balances at December 31, 2020	\$ 896,441
Changes for the year:	
Service cost	48,680
Interest	19,416
Differences between expected and actual experience	(85,224)
Changes in assumptions or other inputs	35,071
Benefit payments	(58,832)
Net changes	(40,889)
Balances at December 31, 2021	<u>\$ 855,552</u>
Changes of assumptions and other inputs reflect a change in the discount rate from 2.12% in 2020 to 2.25% in 2021.	

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25%) or 1-percentage-point higher (3.25%) than the current discount rate.

	1% Decrease	Discount Rate	1% Increase
Total OPEB liability	\$ 912,125	\$ 855,552	\$ 801,244

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB liability	\$ 767,553	\$ 855,552	\$ 958,541

City of River Falls

Notes to Financial Statements
December 31, 2021

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources
Related to OPEB

For the year ended December 31, 2021, the City recognized OPEB expense of \$95,904. At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 70,329	\$ 80,459
Changes of assumptions or other inputs	126,319	10,500
Total	\$ 196,648	\$ 90,959

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended December 31:	Amount
2022	\$ 27,808
2023	27,808
2024	27,814
2025	22,132
2026	7,290
Thereafter	(7,163)
Total	\$ 105,689

Related Organizations

Housing Authority

The City's officials are responsible for appointing the board members of the River Falls Housing Authority, but the City's accountability for this organization does not extend beyond making the appointments.

Tax Abatement

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

The City through its various Tax Incremental Financing Districts (TID) has entered into tax abatement agreements with a developers in the form of tax incremental financing incentive payments to stimulate economic development. The abatements are authorized through the TID project plans. The developers pay property taxes as they become due, and after meeting the criteria established in the development agreements, are entitled to future incentive payments that directly correlate to the taxes paid. Aggregate incentive payments for the year ended December 31, 2021 were \$570,000. Anticipated future incentive payments based on such development agreements as of year end totaled \$8,545,000. In addition to the tax abatement arrangements described above, the City has several development agreements where the City will reimburse the developer for infrastructure costs.

City of River Falls

Notes to Financial Statements
December 31, 2021

Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved the following:

- Statement No. 87, Leases
- Statement No. 91, Conduit Debt Obligations
- Statement No. 92, Omnibus 2020
- Statement No. 93, Replacement of Interbank Offered Rates
- Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements
- Statement No. 96, Subscription-Based Information Technology Arrangements
- Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32
- Statement No. 99, Omnibus 2022
- Statement No. 100, Accounting Changes and Error Corrections - an amendment of GASB Statement No. 62
- Statement No. 101, Compensated Absences

When they become effective, application of these standards may restate portions of these financial statements.

Nonexchange Financial Guarantee

In 2012, the City entered into a loan guarantee agreement with the River Falls Baseball Council, a legally separate organization. The loan was used for improvements at the baseball park. In the event that the River Falls Baseball Council would be unable to make the loan payments, all rights, title and interest River Falls Baseball Council has in the related real property and improvements would be revoked. The City's exposure at December 31, 2021 is limited to a maximum of \$161,967 in principal plus interest.

City of River Falls

Notes to Financial Statements
December 31, 2021

Tax Incremental Financing Districts

The City currently maintains separate special revenue funds to account for its Tax Increment Financing Districts (TID) created in accordance with Section 66.1105 of the Wisconsin Statutes. The purpose of that section is to allow a municipality to recover development and improvements costs in a designated area from the property taxes generated on the increased value of the property after the creation date of the District. The tax on the increased value is called a tax increment.

The statutes allow the municipality to collect tax increments until the net project cost has been fully recovered, or until either 23 or 27 years after the creation date, whichever occurs first. Upon termination, the incremental tax base created by each TID will become part of the City's regular tax base. Any surplus remaining in the TID districts at the time of termination will be allocated among all affected taxing jurisdictions.

	Creation Date	End of Expenditure Period	Maximum Life of District
TID No. 5	1994	2016	2024
TID No. 6	2005	2027	2032
TID No. 8	2010	2032	2037
TID No. 9	2011	2033	2038
TID No. 10	2014	2029	2034
TID No. 11	2015	2030	2036
TID No. 12	2016	2031	2037
TID No. 13	2018	2033	2039
TID No. 14	2018	2040	2046
TID No. 15	2020	2042	2048
TID No. 16	2020	2035	2041
TID No. 17	2021	2043	2049
TID No. 18	2021	2043	2049

REQUIRED SUPPLEMENTARY INFORMATION

City of River Falls

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Variance with Final Budget
	Original	Final	
Revenues			
Taxes	\$ 4,857,183	\$ 4,857,183	\$ (17,862)
Special assessments	-	120	120
Intergovernmental	3,676,913	3,729,140	52,227
Licenses and permits	330,350	387,431	57,081
Fines, forfeitures and penalties	170,000	153,917	(16,083)
Public charges for services	255,475	343,207	87,732
Intergovernmental charges for services	25,000	14,263	(10,737)
Investment income	128,723	65,221	(63,502)
Miscellaneous	66,953	84,205	17,252
Total revenues	9,510,597	9,531,027	85,798
Expenditures			
Current:			
General government	2,062,282	1,942,827	119,455
Public safety	4,166,533	3,975,679	190,854
Public works	2,415,667	2,020,599	269,068
Health services	2,740	1,902	838
Leisure activities	900,288	912,881	5,407
Conservation and development	910,992	1,013,996	4,996
Debt service:			
Principal	251,303	251,291	12
Interest and fiscal charges	44,866	44,981	(115)
Total expenditures	10,754,671	10,164,156	590,515
Excess (deficiency) of revenues over (under) expenditures	(1,244,074)	(547,331)	676,313
Other Financing Sources (Uses)			
Transfers in	1,950,270	1,863,109	(66,731)
Transfers out	(721,196)	(721,196)	-
Property sales	15,000	16,425	1,425
Total other financing sources (uses)	1,244,074	1,158,338	(65,306)
Net change in fund balance	-	611,007	611,007
Fund Balance, Beginning	12,123,430	12,123,430	-
Fund Balance, Ending	\$ 12,123,430	\$ 12,734,437	\$ 611,007

See notes to required supplementary information
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City of River Falls

Schedule of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual - Tax Increment District #10
Year Ended December 31, 2021

	Budgeted Amounts Original and Final		Variance with Final Budget
	Original	Actual	
Revenues			
Taxes	\$ 416,000	\$ 448,464	\$ 32,464
Investment income	-	135	135
Miscellaneous	84,000	86,073	2,073
Total revenues	500,000	534,672	34,672
Expenditures			
Current:			
Conservation and development	4,000	5,242	(1,242)
Capital outlay	64,000	66,633	(2,633)
Debt service:			
Principal retirement	240,000	240,000	-
Interest and fiscal charges	124,476	124,492	(16)
Total expenditures	432,476	436,367	(3,891)
Excess (deficiency) of revenues over (under) expenditures	67,524	98,305	30,781
Other Financing Uses			
Transfers to other funds	(29,123)	(29,123)	-
Total other financing uses	(29,123)	(29,123)	-
Net change in fund balance	38,401	69,182	30,781
Fund Balance (Deficit), Beginning	(3,354,140)	(3,354,140)	-
Fund Balance (Deficit), Ending	\$ (3,315,739)	\$ (3,284,958)	\$ 30,781

See notes to required supplementary information
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City of River Falls

Schedule of Changes in Total OPEB Liability and Related Ratios
Year Ended December 31, 2021

	Year End Date			
	2021	2020	2019	2018
Total OPEB Liability				
Service cost	\$ 48,630	\$ 37,288	\$ 36,854	\$ 34,576
Interest	19,416	26,116	28,328	21,789
Differences between expected and actual experience	(85,224)	37,051	58,906	(17,294)
Changes of assumptions	35,071	64,152	44,979	(24,500)
Benefit payments	(68,832)	(63,446)	(51,861)	(45,877)
				(41,071)
Net change in total OPEB liability	(40,889)	101,161	117,206	(22,612)
				108,457
Total OPEB Liability, Beginning	896,441	795,280	678,074	700,686
				592,229
Total OPEB Liability, Ending	\$ 855,552	\$ 896,441	\$ 795,280	\$ 700,686
Covered employee payroll	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135
Total OPEB liability as a percentage of covered employee payroll	26.05%	23.67%	20.03%	14.00%
				14.93%

See notes to required supplementary information
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City of River Falls

Schedule of Employer's Proportionate Share of the Net Pension Asset (Liability) -
Wisconsin Retirement System (WRS)
Year Ended December 31, 2021

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset (Liability)	City's Proportionate 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
12/31/20	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	20.63 %	102.93 %
12/31/16	0.05015113 %	(413,365)	6,946,650	5.95 %	99.12 %
12/31/15	0.04847920 %	(787,778)	6,407,948	12.29 %	98.20 %
12/31/14	0.04828345 %	1,185,974	6,109,604	19.41 %	102.74 %

Schedule of Employer Contributions Wisconsin Retirement System (WRS)
Year Ended December 31, 2021

City Year End Date	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions		Contributions as a Percentage of Covered Payroll
		Contractually Required Contributions	Contribution Deficiency (Excess)	
12/31/21	\$ 614,669	\$ 614,669	\$ -	7.031,631
12/31/20	680,059	680,059	-	7,921,103
12/31/19	630,482	630,482	-	8,119,377
12/31/18	614,274	614,274	-	8,119,664
12/31/17	595,057	595,057	-	7,708,241
12/31/16	515,383	515,383	-	6,946,950
12/31/15	462,018	462,018	-	6,407,948
				8.74 %
				8.59 %
				7.77 %
				7.57 %
				7.72 %
				7.42 %
				7.21 %

See notes to required supplementary information
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City of River Falls

Notes to Required Supplementary Information
Year Ended December 31, 2021

Budgetary Information

Budgetary information is derived from the annual operating budget and is presented using the same basis of accounting for each fund as described in Note 1.

The budgeted amounts presented include any amendments made. The City administrator may authorize transfers of budgeted amounts within a fund and function. Transfers between funds or functions and changes to the overall budget must be approved by a two-thirds action of the City Council.

Appropriations lapse at year end unless specifically carried over. There were no carryovers to the following year. Budgets are adopted at the fund and function level of expenditure.

Other Post Employment Benefit (OPEB) Plan

The City implemented GASB Statement No. 75 in fiscal year 2017. Information prior to fiscal year 2017 is not available.

The City is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Accumulation of assets. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement No. 75.

Changes in benefit terms and assumptions. There were no changes in the benefit terms. The discount rate changed from 2.12% in 2020 to 2.25% in 2021.

Wisconsin Retirement System

The amounts determined for each fiscal year were determined as of the calendar year-end and occurred within the fiscal year.

The City is required to present the last ten years of data; however accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

Changes in assumptions. No significant change in assumptions were noted from the prior year.

SUPPLEMENTARY INFORMATION

City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Variance with Final Budget
	Original	Final	
Taxes			
General property taxes	\$ 4,766,883	\$ 4,766,883	\$ (8,265)
Mobile home taxes	22,000	22,000	(2,432)
Payments in lieu of taxes, housing authority	7,800	7,800	(7,674)
Payment in lieu of taxes, other	60,000	58,933	(1,067)
Interest and penalties on taxes	500	2,076	1,576
Total taxes	4,857,183	4,839,321	(17,862)
Special Assessments			
Special assessments	-	-	120
Total special assessments	-	120	120
Intergovernmental			
State shared revenues	2,121,913	2,121,913	14,685
Fire insurance from state	40,000	52,453	12,453
State aid, computers	10,000	10,754	754
State aid, other public safety	-	24,206	24,206
State aid, streets	650,000	652,159	2,159
State aid, local road improvement program	160,000	-	(160,000)
State aid, municipal services	270,000	424,842	154,842
Municipal grants	300,000	300,636	636
School district grant	125,000	127,492	2,492
Total intergovernmental	3,676,913	3,729,140	52,227
Licenses and Permits			
Liquor and malt beverage licenses	18,000	28,926	10,926
Operators' license	6,000	5,160	(840)
Cigarette licenses	1,500	2,013	513
Cable television franchise fees	130,150	113,990	(16,160)
Business and occupational licenses	1,000	2,484	1,484
Dog licenses	4,000	4,614	614
Housing inspection licenses	500	410	(90)
Plumbing permits	2,000	1,175	(825)
Building permits	160,000	219,394	59,394
Sign permits	2,500	1,512	(988)
Zoning permits	3,000	5,245	2,245
Inspectors red seal	1,700	2,508	808
Total licenses and permits	330,350	387,431	57,081
Fines, Forfeitures and Penalties			
Court penalties and costs	50,000	61,546	11,546
Parking violations	90,000	67,052	(22,948)
Court costs	30,000	25,319	(4,681)
Total fines, forfeitures and penalties	170,000	153,917	(16,083)

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City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -
General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Variance with Final Budget
	Original	Final	
Public Charges for Services			
Clerk's fees	\$ 9,000	\$ 9,000	\$ 7,501
Zoning administration fees	17,000	17,000	25,300
Publication fees	1,000	1,000	1,200
Plat review fees	10,000	10,000	25,200
Police department fees	10,000	10,000	15,200
Police towing	8,000	8,000	6,302
Fire department fees	15,000	15,000	(3,698)
Fire inspection fees	1,500	1,500	(1,925)
Highway maintenance and construction	10,000	10,000	984
Weights and measures charges	4,475	4,475	1,150
Swimming pool	45,000	45,000	(350)
Parks	58,000	58,000	12,712
Recreation programs	65,000	65,000	75
Forestry fees	-	-	26,845
Other public charges for services	1,500	1,500	4,327
Total public charges for services	255,475	255,475	85,475
Intergovernmental Charges for Services			
Interdepartmental sales	25,000	25,000	20,475
Total intergovernmental charges for services	25,000	25,000	49,301
Investment Income			
Interest, interfund advances	53,723	74,153	3,285
Interest on temporary investments	75,000	75,000	1,785
Total investment income	128,723	149,153	87,732
Miscellaneous			
Rent of municipal buildings	2,200	2,200	14,263
Donations	-	-	(10,737)
Miscellaneous	64,753	64,753	74,153
Total miscellaneous	66,953	66,953	(8,932)
Other Financing Sources			
Transfers from other funds	1,950,270	1,929,840	65,221
Property sales	15,000	15,000	84,205
Total other financing sources	1,965,270	1,944,840	1,200
Total revenues and other financing sources	\$ 11,475,867	\$ 11,475,867	1,863,109
			16,425
			1,879,534
			(65,306)
			\$ 20,492

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City of River Falls

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -
General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
General Government				
Council	\$ 367,767	\$ 367,767	\$ 226,958	\$ 140,809
Municipal court	132,279	132,279	125,472	6,807
City administrator	606,141	606,141	657,049	(50,908)
Personnel	407,015	407,015	379,649	27,366
Clerk	168,336	168,336	185,625	(17,289)
Finance	326,444	326,444	310,541	15,903
Legal counseling	54,300	54,300	57,533	(3,233)
Total general government	2,062,282	2,062,282	1,942,827	119,455
Public Safety				
Police	3,498,044	3,498,044	3,429,276	68,768
Fire department	668,489	668,489	546,403	122,086
Total public safety	4,166,533	4,166,533	3,975,679	190,854
Public Works				
Garage	384,897	384,897	350,432	34,465
Street maintenance	1,755,885	1,629,885	1,378,703	251,182
Engineer	274,885	274,885	291,464	(16,579)
Total public works	2,415,667	2,289,667	2,020,599	269,068
Health Services				
Animal control	2,740	2,740	1,902	838
Total health services	2,740	2,740	1,902	838
Leisure Activities				
Recreation	152,785	152,785	139,417	13,368
Swimming	122,638	122,638	95,954	26,684
Parks	624,865	642,865	677,510	(34,645)
Total leisure activities	900,288	918,288	912,881	5,407
Conservation and Development				
Forestry	73,855	181,855	177,698	4,157
Community development	837,137	837,137	836,298	839
Total conservation and development	910,992	1,018,992	1,013,996	4,996
Debt Service				
Principal on notes payable, fire	57,500	57,500	57,500	-
Principal retirements	193,803	193,803	193,791	12
Interest on notes payable, fire	30,248	30,248	30,243	5
Interest and fiscal charges	14,558	14,558	14,613	(55)
Paying agent fees	60	60	125	(65)
Total debt service	296,169	296,169	296,272	(103)

City of River Falls

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -
General Fund
Year Ended December 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Other Financing Uses				
Transfers to other funds	\$ 721,196	\$ 721,196	\$ 721,196	\$ -
Total other financing uses	721,196	721,196	721,196	-
Total expenditures and other financing uses	\$ 11,475,867	\$ 11,475,867	\$ 10,885,352	\$ 590,515

City of River Falls

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds					Park Acquisition Fund
	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee		
Assets						
Cash and investments	\$ 65,027	\$ 84	\$ 27,281	\$ 1,764,741	\$ 1,125	
Receivables:						
Taxes	-	-	-	-	-	
Accounts	-	97,012	-	9,316	-	
Accrued interest	-	-	-	3,584	-	
Loans	-	-	-	-	-	
Prepaid items and inventories	-	-	-	-	-	
Due from other governments	-	137	-	-	-	
Advances to other funds	-	-	-	1,500,000	-	
Total assets	\$ 65,027	\$ 97,233	\$ 27,281	\$ 3,277,641	\$ 1,125	
Liabilities, Deferred Inflows of Resources and Fund Balances						
Liabilities						
Accounts payable	\$ 959	\$ 33	\$ 14,832	\$ 14,817	\$ -	
Accrued liabilities	-	-	-	-	-	
Deposits	-	-	-	-	-	
Due to other funds	-	57,435	-	-	-	
Advances from other funds	-	-	-	-	-	
Unearned revenues	-	-	-	-	-	
Total liabilities	959	57,468	14,832	14,817	-	
Deferred Inflows of Resources						
Unearned revenues	-	-	-	-	-	
Unavailable revenues	-	137	2,250	-	-	
Total deferred inflows of resources	-	137	2,250	-	-	
Fund Balances (Deficit)						
Nonspendable	-	-	-	-	-	
Restricted	64,068	39,628	10,199	3,262,824	-	
Committed	-	-	-	-	1,125	
Unassigned (deficit)	-	-	-	-	-	
Total fund balances (deficit)	64,068	39,628	10,199	3,262,824	1,125	
Total liabilities, deferred inflows of resources and fund balances	\$ 65,027	\$ 97,233	\$ 27,281	\$ 3,277,641	\$ 1,125	

	Special Revenue Funds									
	Tax Increment District #5	Tax Increment District #6	Tax Increment District #8	Tax Increment District #9	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13			
Assets										
Cash and investments	\$ 28	\$ 37,625	\$ 88,495	\$ 19,510	\$ 23	\$ 83,078	\$ 257,522			
Receivables:										
Taxes	467,421	180,160	70,359	84,106	6,690	38,373	68,037			
Accounts	-	-	-	-	-	-	-			
Accrued interest	-	-	-	-	-	-	-			
Loans	-	-	-	-	-	-	-			
Prepaid items and inventories	-	-	-	-	-	-	-			
Due from other governments	-	-	-	-	-	-	-			
Advances to other funds	-	-	-	-	-	-	-			
Total assets	\$ 467,449	\$ 217,785	\$ 158,854	\$ 103,616	\$ 6,713	\$ 121,451	\$ 325,559			
Liabilities, Deferred Inflows of Resources and Fund Balances										
Liabilities										
Accounts payable	\$ 1,440	\$ -	\$ -	\$ -	\$ 20,035	\$ -	\$ -			
Accrued liabilities	-	-	-	-	-	-	-			
Deposits	-	-	-	-	-	-	-			
Due to other funds	9,126	-	-	-	114,867	-	-			
Advances from other funds	-	917,045	118,157	381,709	164,612	629,726	-			
Unearned revenues	-	-	-	-	-	-	-			
Total liabilities	10,566	917,045	118,157	381,709	299,514	629,726	-			
Deferred Inflows of Resources										
Unearned revenues	467,421	180,160	70,359	84,106	6,690	38,373	68,037			
Unavailable revenues	-	-	-	-	-	-	-			
Total deferred inflows of resources	467,421	180,160	70,359	84,106	6,690	38,373	68,037			
Fund Balances (Deficit)										
Nonspendable	-	-	-	-	-	-	-			
Restricted	-	-	-	-	-	-	257,522			
Committed	(10,538)	(879,420)	(29,662)	(362,199)	(299,491)	(546,648)	-			
Unassigned (deficit)	-	-	-	-	-	-	-			
Total fund balances (deficit)	(10,538)	(879,420)	(29,662)	(362,199)	(299,491)	(546,648)	257,522			
Total liabilities, deferred inflows of resources and fund balances	\$ 467,449	\$ 217,785	\$ 158,854	\$ 103,616	\$ 6,713	\$ 121,451	\$ 325,559			

City of River Falls

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds				
	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18
Assets					
Cash and investments	\$ 67	\$ 580,709	\$ 787,034	\$ 48	\$ 2
Receivables:					
Taxes	93,613	-	-	-	-
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items and inventories	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	\$ 93,680	\$ 580,709	\$ 787,034	\$ 48	\$ 2
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ 3,463	\$ -	\$ 108	\$ 342
Accrued liabilities	-	-	-	-	-
Deposits	4,690	-	-	-	-
Due to other funds	243,305	-	-	12,969	16,805
Advances from other funds	-	600,000	800,000	-	504,571
Unearned revenues	-	2,500	-	-	-
Total liabilities	247,995	605,963	800,000	13,077	521,716
Deferred Inflows of Resources					
Unearned revenues	93,613	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	93,613	-	-	-	-
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	(247,928)	(25,254)	(12,966)	(13,029)	(521,716)
Total fund balances (deficit)	(247,928)	(25,254)	(12,966)	(13,029)	(521,716)
Total liabilities, deferred inflows of resources and fund balances	\$ 93,680	\$ 580,709	\$ 787,034	\$ 48	\$ 2

	Special Revenue Funds						
	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve	Library Trust Fund
\$ 264,138	\$ 330	\$ 437,448	\$ 25,871	\$ -	\$ 462,408	\$ 155,149	
850,000	-	-	-	-	-	-	-
3,168	-	-	99,029	-	-	-	-
-	158,592	-	-	-	423,386	-	-
4,910	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
\$ 1,122,216	\$ 158,922	\$ 437,448	\$ 124,900	\$ -	\$ 885,794	\$ 155,149	
\$ 10,623	\$ -	\$ -	\$ -	\$ 3,473	\$ -	\$ -	-
9,942	-	-	-	-	-	-	-
-	66,771	-	-	-	26,669	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
20,565	66,771	-	-	30,142	-	-	-
850,000	-	-	-	-	423,386	-	-
-	158,592	-	-	-	-	-	-
850,000	158,592	-	-	-	423,386	-	-
4,910	-	-	-	-	-	-	-
246,741	-	437,448	124,900	-	462,408	155,149	-
-	-	-	-	-	-	-	-
-	(66,441)	-	-	(30,142)	-	-	-
251,651	(66,441)	437,448	124,900	(30,142)	462,408	155,149	-
\$ 1,122,216	\$ 158,922	\$ 437,448	\$ 124,900	\$ -	\$ 885,794	\$ 155,149	

City of River Falls

Combining Balance Sheet
 Nonmajor Governmental Funds
 December 31, 2021

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund
	Tourism and Economic Development	American Rescue Plan Act	Debt Service Notes	Debt Service Bonds	Capital Equipment
Assets					
Cash and investments	\$ 287,577	\$ 839,018	\$ 16,333	\$ 17,578	\$ 1,028,623
Receivables:					
Taxes	2,500	-	572,318	495,336	148,495
Accounts	39,504	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items and inventories	-	-	-	-	-
Due from other governments	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 329,581</u>	<u>\$ 839,018</u>	<u>\$ 588,651</u>	<u>\$ 512,914</u>	<u>\$ 1,177,118</u>
Liabilities, Deferred Inflows of Resources and Fund Balances					
Liabilities					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	203	37,441	-
Advances from other funds	1,000,000	-	-	-	-
Unearned revenues	-	838,761	-	-	-
Total liabilities	<u>1,000,000</u>	<u>838,761</u>	<u>203</u>	<u>37,441</u>	<u>-</u>
Deferred Inflows of Resources					
Unearned revenues	2,500	-	572,318	495,336	148,495
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>2,500</u>	<u>-</u>	<u>572,318</u>	<u>495,336</u>	<u>148,495</u>
Fund Balances (Deficit)					
Nonspendable	-	-	-	-	-
Restricted	-	-	16,130	-	-
Committed	-	257	-	-	1,028,623
Unassigned (deficit)	<u>(672,919)</u>	<u>-</u>	<u>-</u>	<u>(19,863)</u>	<u>-</u>
Total fund balances (deficit)	<u>(672,919)</u>	<u>257</u>	<u>16,130</u>	<u>(19,863)</u>	<u>1,028,623</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 329,581</u>	<u>\$ 839,018</u>	<u>\$ 588,651</u>	<u>\$ 512,914</u>	<u>\$ 1,177,118</u>

	Total Nonmajor Governmental Funds
\$	<u>7,246,872</u>
	3,077,408
	248,029
	3,584
	581,978
	4,910
	137
	<u>1,500,000</u>
\$	<u>12,662,918</u>
\$	<u>70,125</u>
	9,942
	4,690
	585,591
	5,115,820
	<u>841,261</u>
	<u>6,627,429</u>
	3,077,408
	<u>584,365</u>
	<u>3,661,773</u>
	4,910
	5,077,017
	1,030,005
	<u>(3,738,216)</u>
	<u>2,373,716</u>
\$	<u>12,662,918</u>

City of River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds					Park Acquisition Fund
	Parking Improvements	Refuse and Solid Waste	Shared Ride Taxi	Environmental Fee		
Revenues						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	-
Special assessments	-	-	-	-	-	-
Intergovernmental	-	-	219,337	-	-	-
Public charges for services	-	950,874	-	96,238 (8,300)	-	-
Investment income	10	90	21	-	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	10	950,964	219,358	87,938	-	-
Expenditures						
Current:						
Public safety	1,426	-	-	-	-	-
Public works	-	929,116	214,624	-	-	-
Leisure activities	-	-	-	-	-	-
Conservation and development	-	-	-	35,190	-	-
Capital outlay	-	-	675	-	-	-
Debt service:	-	-	-	-	-	-
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	1,426	929,116	215,299	35,190	-	-
Excess (deficiency) of revenues over expenditures	(1,416)	21,848	4,059	52,748	-	-
Other Financing Sources (Uses)						
Transfers from other funds	-	-	17,175	-	-	-
Transfer to other funds	-	(28,205)	(8,649)	(2,502)	-	-
Total other financing sources (uses)	-	(28,205)	8,526	(2,502)	-	-
Net changes in fund balances	(1,416)	(6,357)	12,585	50,246	-	-
Fund Balances (Deficit), Beginning	65,484	45,985	(2,386)	3,212,578	1,125	
Fund Balances (Deficit), Ending	\$ 64,068	\$ 39,628	\$ 10,199	\$ 3,262,824	\$ 1,125	

	Special Revenue Funds									
	Tax Increment District #5	Tax Increment District #6	Tax Increment District #8	Tax Increment District #9	Tax Increment District #11	Tax Increment District #12	Tax Increment District #13			
\$	497,477	\$ 197,665	\$ 78,364	\$ 81,093	\$ 18,380	\$ 44,111	\$ 216,880			
-	-	-	-	-	-	-	-			
47,507	511	511	5,593	891	891	-	-			
-	-	-	-	-	-	-	-			
132	17	39	4	-	-	37	111			
5,060	-	-	8,110	-	-	-	-			
550,176	198,193	78,403	94,800	19,271	44,148	216,991	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
-	-	-	-	-	-	-	-			
11,886	650	773	70,649	26,515	945	650	-			
-	-	-	-	-	245	-	-			
185,000	130,000	-	69,928	-	-	-	-			
69,198	33,603	-	3,258	-	-	-	-			
266,084	164,253	773	143,835	26,760	945	650	-			
284,092	33,940	77,630	(49,035)	(7,489)	43,203	216,341	-			
-	-	-	-	-	-	-	-			
(228,936)	(6,353)	(2,409)	(5,353)	(5,443)	(193)	(203)	-			
(228,936)	(6,353)	(2,409)	67,802	(5,443)	(193)	(203)	-			
55,156	27,587	75,221	18,767	(12,932)	43,010	216,138	-			
(65,694)	(907,007)	(104,883)	(380,966)	(286,559)	(589,658)	41,384	-			
\$ (10,538)	\$ (879,420)	\$ (29,662)	\$ (362,199)	\$ (299,491)	\$ (546,648)	\$ 257,522	-			

City of River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds				
	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18
Revenues					
Taxes	\$ 32,749	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	47	960	1,283	-	-
Investment income	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>32,796</u>	<u>960</u>	<u>1,283</u>	-	-
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	650	702	1,553	13,029	17,145
Capital outlay	-	14,610	-	-	504,571
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	20,430	-	-	-	-
Total expenditures	<u>21,080</u>	<u>15,312</u>	<u>1,553</u>	<u>13,029</u>	<u>521,716</u>
Excess (deficiency) of revenues over expenditures	<u>11,716</u>	<u>(14,352)</u>	<u>(270)</u>	<u>(13,029)</u>	<u>(521,716)</u>
Other Financing Sources (Uses)					
Transfers from other funds	-	-	-	-	-
Transfer to other funds	(910)	-	-	-	-
Total other financing sources (uses)	<u>(910)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	10,806	(14,352)	(270)	(13,029)	(521,716)
Fund Balances (Deficit), Beginning	<u>(258,734)</u>	<u>(10,902)</u>	<u>(12,696)</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit), Ending	<u>\$ (247,928)</u>	<u>\$ (25,254)</u>	<u>\$ (12,966)</u>	<u>\$ (13,029)</u>	<u>\$ (521,716)</u>

	Special Revenue Funds						
	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve	Library Trust Fund
\$ 855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
366,243	-	-	-	-	-	-	-
3,491	-	-	56,293	39,176	32,523	-	-
618	7,827	679	-	-	-	3,605	240
7,645	58,832	-	-	24,915	-	30,486	139,234
<u>1,232,997</u>	<u>66,659</u>	<u>56,972</u>	<u>64,091</u>	<u>32,523</u>	<u>34,091</u>	<u>34,091</u>	<u>139,474</u>
-	-	-	-	-	-	-	-
977,876	-	-	-	2,988	-	-	-
-	-	-	-	-	-	329,400	-
-	-	-	-	-	4,050	-	-
-	-	-	-	-	27,000	-	-
-	-	-	-	-	6,083	-	-
<u>977,876</u>	<u>-</u>	<u>-</u>	<u>2,988</u>	<u>37,133</u>	<u>329,400</u>	<u>-</u>	<u>-</u>
255,121	66,659	56,972	61,103	(4,610)	(295,309)	139,474	-
(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)	(1,317)	-
(173,488)	(1,774)	(5,285)	(95)	(27,536)	(123)	(1,317)	-
81,633	64,885	51,687	61,008	(32,146)	(295,432)	138,157	-
170,018	(131,326)	385,761	63,892	2,004	757,840	16,992	-
<u>\$ 251,651</u>	<u>\$ (66,441)</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ (30,142)</u>	<u>\$ 462,408</u>	<u>\$ 155,149</u>	<u>\$ -</u>

City of River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Special Revenue Funds		Debt Service Funds		Capital Projects Fund
	Tourism and Economic Development	American Rescue Plan Act	Debt Service Notes	Debt Service Bonds	Capital Equipment
Revenues					
Taxes	\$ 154,486	\$ -	\$ 654,526	\$ 494,761	\$ 107,442
Special assessments	2,500	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Investment income	391	257	268	53	1,346
Miscellaneous	-	-	-	63,502	99,402
Total revenues	<u>157,377</u>	<u>257</u>	<u>654,794</u>	<u>558,316</u>	<u>208,190</u>
Expenditures					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	124,736	-	-	-	-
Capital outlay	-	-	-	-	185,852
Debt service:					
Principal retirement	-	-	590,000	347,870	-
Interest and fiscal charges	-	-	218,689	181,601	-
Total expenditures	<u>124,736</u>	<u>-</u>	<u>808,689</u>	<u>529,471</u>	<u>185,852</u>
Excess (deficiency) of revenues over expenditures	<u>32,641</u>	<u>257</u>	<u>(153,895)</u>	<u>28,845</u>	<u>22,338</u>
Other Financing Sources (Uses)					
Transfers from other funds	13,000	-	177,687	-	-
Transfer to other funds	<u>(51,331)</u>	<u>-</u>	<u>(24,074)</u>	<u>(19,258)</u>	<u>(8,142)</u>
Total other financing sources (uses)	<u>(38,331)</u>	<u>-</u>	<u>153,613</u>	<u>(19,258)</u>	<u>(8,142)</u>
Net change in fund balances	(5,690)	257	(282)	9,587	14,196
Fund Balances (Deficit), Beginning	<u>(667,229)</u>	<u>-</u>	<u>16,412</u>	<u>(29,450)</u>	<u>1,014,427</u>
Fund Balances (Deficit), Ending	<u>\$ (672,919)</u>	<u>\$ 257</u>	<u>\$ 16,130</u>	<u>\$ (19,863)</u>	<u>\$ 1,028,623</u>

City of River Falls

Combining Statement of Revenues, Expenditures and Changes
in Fund Balances
Nonmajor Governmental Funds
Year Ended December 31, 2021

	Total Nonmajor Governmental Funds
\$ 3,432,934	
2,500	
640,082	
1,178,595	
9,735	
<u>437,186</u>	
<u>5,701,032</u>	
1,426	
1,143,740	
980,864	
634,473	
710,003	
1,349,798	
<u>532,862</u>	
<u>5,353,166</u>	
347,866	
281,017	
<u>(601,579)</u>	
<u>(320,562)</u>	
27,304	
<u>2,346,412</u>	
<u>\$ 2,373,716</u>	

City of River Falls

Combining Statement of Net Position
Nonmajor Enterprise Funds
December 31, 2021

Assets	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Current assets:			
Cash and investments	\$ 714,471	\$ 151,924	\$ 866,395
Receivables, net:			
Accounts	52,339	343,762	396,101
Prepaid items	475	86	561
Total current assets	767,285	495,772	1,263,057
Noncurrent assets:			
Net pension asset	59,169	-	59,169
Capital assets:			
Land	-	101,298	101,298
Construction in progress	64,350	-	64,350
Property and equipment	8,963,105	637,393	9,600,498
Less accumulated depreciation	(2,820,941)	(539,041)	(3,359,982)
Total noncurrent assets	6,265,683	199,650	6,465,333
Total assets	7,032,968	695,422	7,728,390
Deferred Outflows of Resources			
Pension related amounts	86,834	-	86,834
Total deferred outflows of resources	86,834	-	86,834
Liabilities			
Current liabilities:			
Accounts payable	931	600	1,531
Customer deposits	50,000	-	50,000
Accrued liabilities	1,648	165	1,813
Total current liabilities	52,579	765	53,344
Total liabilities	52,579	765	53,344
Deferred Inflows of Resources			
Pension related amounts	111,639	-	111,639
Total deferred inflows of resources	111,639	-	111,639
Net Position			
Net investment in capital assets	6,206,514	199,650	6,406,164
Restricted for pension	59,169	-	59,169
Unrestricted	689,901	495,007	1,184,908
Total net position	\$ 6,955,584	\$ 694,657	\$ 7,650,241

City of River Falls

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Nonmajor Enterprise Funds
Year Ended December 31, 2021

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Operating Revenues			
Public charges for services	\$ 582,301	\$ 337,322	\$ 919,623
Total operating revenues	582,301	337,322	919,623
Operating Expenses			
Operation and maintenance	593,210	531,905	1,125,115
Depreciation	178,384	26,870	205,254
Total operating expenses	771,594	558,775	1,330,369
Operating income (loss)	(189,293)	(221,453)	(410,746)
Nonoperating Revenues (Expenses)			
Investment income	1,111	839	1,950
Interest and fiscal charges	(2,117)	-	(2,117)
Miscellaneous	2,591	11,461	14,052
Total nonoperating revenues (expenses)	1,585	12,300	13,885
Income (loss) before transfers	(187,708)	(209,153)	(396,861)
Transfers			
Transfers to other funds	(39,293)	(13,587)	(52,880)
Total transfers	(39,293)	(13,587)	(52,880)
Change in net position	(227,001)	(222,740)	(449,741)
Net Position, Beginning	7,182,585	917,397	8,099,982
Net Position, Ending	\$ 6,955,584	\$ 694,657	\$ 7,650,241

City of River Falls

Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended December 31, 2021

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
Cash Flows From Operating Activities			
Received from customers	\$ 576,669	\$ 680,113	\$ 1,256,782
Paid to suppliers for goods and services	(484,324)	(604,502)	(1,088,826)
Paid to employees for services	(141,357)	(8,220)	(149,577)
Net cash flows from operating activities	(49,012)	67,391	18,379
Cash Flows From Investing Activities			
Investment income			
Net cash flows from investing activities	1,111	839	1,950
Cash Flows From Noncapital Financing Activities			
Transfers to other funds		839	1,950
Net cash flows from noncapital financing activities	(39,293)	(13,587)	(52,880)
Cash Flows From Capital and Related Financing Activities			
Interest paid	(39,293)	(13,587)	(52,880)
Proceeds from sale/transfer of capital assets	(2,117)	-	(2,117)
Net cash flows from capital and related financing activities	(2,117)	6,718	6,718
Net change in cash and cash equivalents	(89,311)	61,361	(27,950)
Cash and Cash Equivalents, Beginning	803,782	90,563	894,345
Cash and Cash Equivalents, Ending	714,471	151,924	866,395
Reconciliation of Operating Loss to Net Cash Flows From Operating Activities			
Operating loss	\$ (189,293)	\$ (221,453)	\$ (410,746)
Nonoperating revenue	2,591	11,461	14,052
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation	178,384	26,870	205,254
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	6,777	331,330	338,107
Prepaid items	(140)	(86)	(226)
Accounts payable	(13,439)	(3,351)	(16,790)
Accrued liabilities	(114)	(77)	(191)
Due to other funds	-	(77,303)	(77,303)
Customer deposits	(15,000)	-	(15,000)
Pension related deferrals and asset/liability	(18,778)	-	(18,778)
Net cash flows from operating activities	(49,012)	67,391	18,379
Noncash Capital and Related Financing Activities			
Capital assets contributed by developers	-	-	-
Capital assets contributed to the City	-	-	-

City of River Falls

Combining Statement of Net Position
Internal Service Funds
December 31, 2021

	City Hall	Motor Pool	Technology
Assets			
Current assets:			
Cash and investments	\$ 145,081	\$ 446	\$ 131,090
Other receivables	1,754	-	-
Prepaid items	2,540	94	9,215
Total current assets	149,375	540	140,305
Noncurrent assets:			
Net pension asset	-	-	51,895
Capital assets:			
Property and equipment	-	18,075	525,268
Less accumulated depreciation	-	(10,543)	(427,130)
Total noncurrent assets	-	7,532	150,033
Total assets	149,375	8,072	290,338
Deferred Outflows of Resources			
Pension related amounts	-	-	93,253
Total deferred outflows of resources	-	-	93,253
Liabilities			
Current liabilities:			
Accounts payable	9,057	163	4,107
Accrued liabilities	-	-	3,712
Due to other funds	-	24,192	-
Total current liabilities	9,057	24,355	7,819
Total liabilities	9,057	24,355	7,819
Deferred Inflows of Resources			
Pension related amounts	-	-	135,967
Net Position			
Net investment in capital assets	-	7,532	98,138
Restricted for pension	-	-	51,895
Unrestricted (deficit)	140,318	(23,815)	89,772
Total net position	\$ 140,318	\$ (16,283)	\$ 239,805

City of River Falls

Combining Statement of Revenues, Expenses and
Changes in Fund Net Position
Internal Service Funds
Year Ended December 31, 2021

Maintenance	Total
\$ 45,361	\$ 321,978
-	1,754
503	12,352
45,864	336,084
77,292	129,187
-	543,343
-	(437,673)
77,292	234,857
123,156	570,941
117,032	210,285
117,032	210,285
352	13,679
4,107	7,819
-	24,192
4,459	45,690
4,459	45,690
169,743	305,710
-	105,670
77,292	129,187
(11,306)	194,969
\$ 65,986	\$ 429,826

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	City Hall	Motor Pool	Technology
Operating Revenues			
Public charges for services	\$ 263,301	\$ -	\$ 38,700
Total operating revenues	263,301	-	38,700
Operating Expenses			
Operation and maintenance	175,507	24,950	603,453
Depreciation expense	-	3,615	49,125
Total operating expenses	175,507	28,565	652,578
Operating income (loss)	87,794	(28,565)	(613,878)
Nonoperating Revenues			
Investment income	581	-	5
Miscellaneous	-	-	44
Total nonoperating revenues	581	-	49
Income (loss) before transfers	88,375	(28,565)	(613,829)
Transfers			
Transfers from other funds	136,240	21,453	695,310
Transfers to other funds	(228,852)	(1,174)	(28,620)
Total transfers	(92,612)	20,279	666,690
Change in net position	(4,237)	(8,286)	52,861
Net Position (Deficit), Beginning	144,555	(7,997)	186,944
Net Position (Deficit), Ending	\$ 140,318	\$ (16,283)	\$ 239,805

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City of River Falls

Combining Statement of Cash Flows
Internal Service Funds
Year Ended December 31, 2021

Maintenance	Total
\$ -	\$ 302,001
-	302,001
290,842	1,094,752
-	52,740
290,842	1,147,492
(290,842)	(845,491)
-	586
76	120
76	706
(290,766)	(844,785)
379,990	1,232,993
(58,352)	(316,998)
321,638	915,995
30,872	71,210
35,114	358,616
\$ 65,986	\$ 429,826

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	City Hall	Motor Pool	Technology
Cash Flows From Operating Activities			
Received from customers	\$ 261,547	\$ -	\$ 38,786
Paid to suppliers for goods and services	(169,472)	(20,364)	(438,974)
Paid to employees for services	-	-	(171,697)
Net cash flows from operating activities	92,075	(20,364)	(571,885)
Cash Flows From Investing Activities			
Investment income	581	-	5
Net cash flows from investing activities	581	-	5
Cash Flows From Noncapital Financing Activities			
Transfers to/from other funds	(92,612)	20,279	666,690
Net cash flows from noncapital financing activities	(92,612)	20,279	666,690
Net change in cash and cash equivalents	44	(85)	94,810
Cash and Cash Equivalents, Beginning	145,037	531	36,280
Cash and Cash Equivalents, Ending	145,081	446	131,090
Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities			
Operating income (loss)	\$ 87,794	\$ (28,565)	\$ (613,878)
Nonoperating revenue	-	-	44
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	3,615	49,125
Changes in assets and liabilities:			
Other receivables	(1,754)	-	42
Prepaid items	536	(8)	3,563
Due from other funds	-	4,500	-
Accounts payable	5,499	94	79
Accrued liabilities	-	-	1,457
Pension related deferrals and asset/liability	-	-	(12,317)
Net cash flows from operating activities	92,075	(20,364)	(571,885)
Noncash Capital and Related Financing Activities			
None			

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City of River Falls

Balance Sheet
Governmental Component Unit
December 31, 2021

Maintenance	Total
\$ 1,212	\$ 301,545
(106,019)	(734,829)
(206,353)	(378,050)
(311,160)	(811,334)
-	586
-	586
321,638	915,995
321,638	915,995
10,478	105,247
34,883	216,731
\$ 45,361	\$ 321,978
\$ (290,842)	\$ (845,491)
76	120
-	52,740
1,136	(576)
5	4,096
-	4,500
7	5,679
853	2,310
(22,395)	(34,712)
\$ (311,160)	\$ (811,334)

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	Business Improvement District
Assets	
Cash and investments	\$ 57,683
Special assessments receivable	42,000
Total assets	\$ 99,683
Deferred Inflows of Resources	
Unavailable revenue	\$ 42,000
Total deferred inflows of resources	42,000
Fund Balances	
Unassigned	57,683
Total deferred inflows of resources and fund balances	\$ 99,683
Reconciliation of Fund Balance to Net Position	
Fund balance at year-end	\$ 57,683
Special assessments are reported as unavailable revenue in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	42,000
Net position at year end	\$ 99,683

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City of River Falls

Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Component Unit
Year Ended December 31, 2021

Revenues

Special assessments

Total revenues

Expenditures

Conservation and development

Total expenditures

Change in fund balance

Fund Balance, Beginning

Fund Balance, Ending

Reconciliation of Change in Fund Balance to Change in Net Position

Change in fund balance

Special assessments not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.

Change in net position

Business Improvement District

\$ 42,000

42,000

30,396

30,396

11,604

46,079

\$ 57,683

\$ 11,604

\$ 11,604

City of River Falls

Electric Utility Plant
Year Ended December 31, 2021

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021

Hydraulic Production

Land and land rights	\$ 15,310	\$ -	\$ -	\$ 15,310
Structures and improvements	43,697	-	-	43,697
Reservoirs, dams and waterways	850,101	-	-	850,101
Water wheels, turbines, and generators	27,976	-	-	27,976
Accessory electric equipment	7,657	-	-	7,657
Miscellaneous power equipment	2,748	-	-	2,748

Total hydraulic

	947,489	-	-	947,489

Other Production

Land and land rights	25,248	-	-	25,248
Structures and improvements	1,224,829	-	-	1,224,829
Generators	36,000	-	-	36,000

Total production

	1,286,077	-	-	1,286,077

Transmission

Land and land rights	2,302	-	-	2,302
Station equipment	1,592,858	-	-	1,592,858
Poles and fixtures	336,070	-	-	336,070
Overhead conductors and devices	719,015	-	-	719,015
Underground conductors and devices	28,532	-	-	28,532

Total transmission

	2,678,777	-	-	2,678,777

Distribution

Land and land rights	78,544	-	-	78,544
Structures and improvements	1,247,826	-	-	1,247,826
Station equipment	4,132,000	-	-	4,132,000
Storage battery equipment	31,236	-	-	31,236
Poles, towers, and fixtures	1,873,533	30,425	2,965	1,900,993
Overhead conductors	1,857,862	23,957	10,678	1,871,141
Underground conduit	1,258,920	152,402	1,970	1,409,352
Underground conductors	7,672,727	425,521	55,225	8,043,023
Transformers	2,949,806	176,085	31,836	3,094,055
Services	1,577,615	62,488	1,559	1,638,544
Meters	1,758,588	346,284	318,477	1,786,395
Street lighting and signal systems	1,621,575	28,458	11,053	1,638,980

Total distribution

	25,860,232	1,245,620	433,763	26,672,089

City of River Falls

Electric Utility Plant

Year Ended December 31, 2021

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
General				
Land and land rights	\$ 1,556	\$ -	\$ -	1,556
Structures and improvements	692,828	-	-	692,828
Office furniture and equipment	40,322	-	9,433	30,889
Computer equipment	100,816	-	-	100,816
Transportation equipment	1,062,138	65,802	-	1,127,940
Tools, shop, and garage equipment	69,540	-	-	69,540
Laboratory equipment	134,759	-	-	134,759
Power operated equipment	53,755	-	-	53,755
Communication equipment	22,965	-	-	22,965
SCADA equipment	453,796	-	-	453,796
Total general	2,632,475	65,802	9,433	2,688,844
Total electric utility plant	\$ 33,405,050	\$ 1,311,422	\$ 443,196	\$ 34,273,276

City of River Falls

Electric Utility Operating Revenues and Expenses

Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Sales of electricity:		
Residential and rural	\$ 6,593,125	\$ 5,760,033
Small commercial and industrial	1,444,231	1,259,427
Large commercial and industrial	3,955,738	3,633,001
Public street and lighting	227,037	220,472
Other sales to public authorities	2,622,455	2,103,150
Total sales of electricity	14,842,586	12,976,083
Other operating revenues:		
Forfeited discounts	24,931	24,184
Miscellaneous service revenues	3,741	1,804
Rent from electric property	39,211	38,052
Other miscellaneous revenues	261,985	323,187
Total operating revenues	15,172,454	13,363,310
Operating Expenses		
Power production:		
Hydraulic power generation		
Operation:		
Operating and supervision	273,367	325,342
Hydraulic	6,814	11,750
Miscellaneous	32,009	20,640
Total hydraulic power generation	312,190	357,732
Purchased power	10,149,386	9,082,812
Total power production	10,461,576	9,440,544
Transmission		
Operation:		
Station	3,416	1,864
Overhead lines	39,771	37,226
Maintenance:		
Overhead lines	4,247	8,244
Total transmission	47,434	47,334

City of River Falls

Electric Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Distribution:		
Operation:		
Operation supervision and engineering	\$ 165,444	\$ 128,760
Station	83,933	50,280
Overhead line	129,610	129,610
Underground line	140,596	129,105
Street lighting and signal	1,931	3,688
Meter expenses	78,656	60,348
Miscellaneous	237,165	134,576
Maintenance:		
Structures	31,459	22,510
Station equipment	20,760	10,183
Overhead line	27,139	43,718
Underground line	64,978	54,845
Line transformers	15,029	15,597
Street lighting and signal	16,239	17,070
Total distribution	<u>1,013,007</u>	<u>800,310</u>
Customer accounts:		
Meter reading	22,384	19,557
Accounting and collecting labor	186,920	182,703
Customer Service & Informational	165,945	111,350
Total customer accounts	<u>375,249</u>	<u>313,610</u>
Sales:		
Advertising	8,715	5,765
Administrative and General:		
Salaries	198,244	207,724
Office supplies	1,430	2,874
Outside services employed	20,304	27,797
Insurance	49,778	39,022
Employee pensions and benefits	219,451	283,330
Miscellaneous	38,540	178,508
Rents	62,633	65,044
Total administrative and general	<u>590,380</u>	<u>804,299</u>
Taxes	<u>104,102</u>	<u>98,958</u>
Total operation and maintenance	<u>12,600,463</u>	<u>11,510,820</u>
Depreciation	<u>1,146,752</u>	<u>1,338,170</u>
Total operating expenses	<u>13,747,215</u>	<u>12,848,990</u>
Operating income	<u>\$ 1,425,239</u>	<u>\$ 514,320</u>

City of River Falls

Water Utility Plant
Year Ended December 31, 2021

	Balance 11/1/2021	Additions	Retirements	Balance 12/31/2021
Source of Supply				
Land and land rights	\$ 2,708	\$ -	\$ -	\$ 2,708
Wells and springs	881,451	-	-	881,451
Total source of supply	<u>884,159</u>	<u>-</u>	<u>-</u>	<u>884,159</u>
Pumping				
Structures and improvements	1,432,137	-	-	1,432,137
Other power production equipment	215,385	-	-	215,385
Electric pumping equipment	420,706	29,235	3,157	446,784
Diesel pumping equipment	29,465	-	-	29,465
Total pumping	<u>2,097,693</u>	<u>29,235</u>	<u>3,157</u>	<u>2,123,771</u>
Water Treatment				
Water treatment equipment	49,671	-	-	49,671
Transmission and Distribution				
Land and land rights	20,412	-	-	20,412
Structures and improvements	15,864	-	-	15,864
Distribution reservoirs and standpipe	869,263	-	-	869,263
Transmission and distribution main	10,297,865	36,473	561	10,333,777
Services	2,508,869	6,987	293	2,515,563
Meters	1,857,295	89,597	16,482	1,930,410
Hydrants	1,687,188	-	-	1,687,188
Other transmission and distribution plant	831,688	-	-	831,688
Total transmission and distribution plant	<u>18,088,424</u>	<u>133,057</u>	<u>17,336</u>	<u>18,204,145</u>
General				
Structures and improvements	212,455	-	-	212,455
Computers	68,761	-	-	68,761
Office furniture	10,287	-	-	10,287
Transportation equipment	58,597	-	-	58,597
Tools, shop & garage	24,854	-	-	24,854
Laboratory equipment	4,905	-	-	4,905
Power operated equipment	27,310	-	-	27,310
SCADA equipment	152,575	-	-	152,575
Total general	<u>559,744</u>	<u>-</u>	<u>-</u>	<u>559,744</u>
Total and water utility plant	<u>\$ 21,679,691</u>	<u>\$ 162,292</u>	<u>\$ 20,493</u>	<u>\$ 21,821,490</u>

City of River Falls

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Sales of water:		
Residential	\$ 713,673	\$ 699,979
Commercial	123,923	119,738
Multi-family	68,705	59,160
Industrial	32,371	32,076
Public authorities	83,364	72,166
Irrigation	325,833	247,770
Total metered sales	1,347,869	1,230,889
Private fire protection	68,385	63,810
Public fire protection	385,348	376,219
Total sales of water	1,801,602	1,670,918
Other operating revenues:		
Forfeited discounts	2,685	1,108
Rent from water property	131,385	124,914
Other miscellaneous revenues	43,742	52,605
Total operating revenues	1,979,414	1,849,545
Operating Expenses		
Pumping:		
Operation		
Operation supervision and engineering	139	1,376
Fuel or purchased power for pumping	84,033	73,064
Pumping labor	37,005	34,017
Maintenance:		
Structures and improvements	11,348	5,097
Power production equipment	969	5,617
Pumping equipment	26,550	22,570
Total pumping	160,044	141,741
Water treatment:		
Operation		
Operation supervision and engineering	1,753	1,713
Chemicals	34,076	26,675
Operation labor	17,306	31,632
Maintenance:		
Water treatment equipment	18,723	20,718
Total water treatment	71,858	80,738

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City of River Falls

Water Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Expenses		
Transmission and distribution:		
Operation	\$ 65,434	\$ 49,530
Operation supervision and engineering	752	186
Storage facilities	69,264	62,984
Transmission and distribution lines	33,210	18,837
Meters	19,550	14,984
Customer installations	60,302	53,173
Miscellaneous		
Maintenance:		
Supervision and engineering	2,245	4,014
Structures and improvements	4,686	5,182
Reservoirs and standpipes	11,988	6,864
Mains	35,998	18,763
Services	27,026	22,909
Meters	-	183
Hydrants	5,308	18,242
Total transmission and distribution	335,763	275,851
Customer accounts:		
Meter reading	5,128	4,503
Accounting and collecting labor	71,503	66,759
Total customer accounts	76,631	71,262
Sales:		
Advertising	2,415	2,347
Administrative and general:		
Salaries	98,306	81,390
Office supplies	1,121	1,457
Outside services employed	3,119	2,528
Insurance	20,322	12,723
Employee pensions and benefits	87,661	93,471
Miscellaneous	2,594	4,578
Rents	32,080	30,300
Total administrative and general	245,203	226,447
Taxes	21,901	20,393
Total operation and maintenance	913,815	818,779
Depreciation	476,517	468,907
Total operating expenses	1,390,332	1,287,686
Operating income	\$ 589,082	\$ 561,859

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City of River Falls

Sewer Utility Plant
Year Ended December 31, 2021

	Balance 1/1/2021	Additions	Retirements	Balance 12/31/2021
Collecting System				
Collecting mains	\$ 10,497,434	\$ 165,408	\$ 4,099	\$ 10,658,743
Interceptor mains	7,228,480	-	-	7,228,480
Force mains	141,607	-	7,454	134,153
Other collecting system equipment	-	-	-	-
Total collecting system	17,867,521	165,408	11,553	18,021,376
Collecting System Pumping				
Land and land rights	2,384	-	-	2,384
Structures and improvements	330,027	-	-	330,027
Receiving wells	440,113	-	57,161	382,952
Electric pumping equipment	258,339	-	-	258,339
Total collecting system pumping	1,030,863	-	57,161	973,702
Treatment and Disposal				
Land and land rights	115,238	-	-	115,238
Structures and improvements	5,685,474	293,673	1,003,033	4,976,114
Preliminary treatment equipment	643,897	233,028	105,473	771,452
Primary treatment equipment	415,996	11,178	10,530	416,644
Secondary treatment equipment	900,319	1,234,689	194,923	1,940,085
Advanced treatment equipment	137,187	-	-	137,187
Chlorination equipment	108,480	-	43,215	65,265
Sludge treatment and disposal equipment	2,257,100	-	61,876	2,195,224
Plant site piping	1,000,644	-	101,527	899,117
Flow metering and monitoring equipment	78,918	-	75,083	3,835
Other treatment and disposal equipment	52,434	-	52,434	-
Total treatment and disposal	11,258,500	1,909,755	1,648,094	11,520,161
General				
Structures and improvements	2,266,595	-	-	2,266,595
Office furniture	10,287	-	-	10,287
Computers	53,107	-	-	53,107
Transportation equipment	366,007	-	-	366,007
Other general equipment	264,265	-	-	264,265
SCADA equipment	265,830	-	-	265,830
Total general	3,226,091	-	-	3,226,091
Intangibles				
	98,839	-	7,487	91,352
Total sewer utility plant	\$ 33,481,814	\$ 2,075,163	\$ 1,724,295	\$ 33,832,682

City of River Falls

Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Revenues		
Sales of wastewater:		
Residential	\$ 2,197,620	\$ 2,164,954
Commercial	400,693	372,343
Multi-family	295,762	254,017
Industrial	161,357	162,309
Public authorities	289,806	235,739
Total wastewater sales	3,345,238	3,189,362
Other operating revenues:		
Forfeited discounts	5,606	2,340
Other miscellaneous revenues	34,523	13,583
Total operating revenues	3,385,367	3,205,285
Operating Expenses		
Operation:		
Operation supervision and engineering	143,363	139,094
Power and fuel for pumping	39,057	29,013
Power and fuel for aeration equipment	163,050	157,867
Treatment charges	367,088	402,464
Chlorine	4,939	4,482
Phosphorous & Sludge removal	11,369	6,393
Other operating supplies	43,167	25,777
Transportation	13,877	11,293
Total operations	785,910	776,383
Maintenance:		
Collection system	85,006	305,462
Pumping equipment	30,964	29,187
Treatment and disposal plant equipment	86,222	142,245
General plant structures equipment	102,018	71,719
Total maintenance	304,210	548,613
Customer accounts:		
Accounting and collecting labor	160,280	133,598
Sales:		
Advertising	2,515	2,447
Administrative and General:		
Salaries	153,447	139,789
Office supplies	3,703	7,531
Outside services employed	4,677	10,994
Insurance	28,538	20,865
Employee pensions and benefits	139,074	189,770

City of River Falls

Sewer Utility Operating Revenues and Expenses
Years Ended December 31, 2021 and 2020

	2021	2020
Operating Expenses		
Administrative and general:		
Miscellaneous	\$ 1,315	\$ 2,832
Rents	<u>58,051</u>	<u>56,543</u>
Total administrative and general	<u>388,805</u>	<u>428,324</u>
Taxes	<u>39,989</u>	<u>40,428</u>
Total operation and maintenance	<u>1,681,709</u>	<u>1,929,793</u>
Depreciation	<u>850,036</u>	<u>754,643</u>
Total operating expenses	<u>2,531,745</u>	<u>2,684,436</u>
Operating income	<u>\$ 853,622</u>	<u>\$ 520,849</u>

City of River Falls

Insurance Summary

Year Ended December 31, 2021

Description	Insurer	Policy Number	Coverage Limits	Deductible	Policy Period
Property	Travelers Prop Casualty Co of America	630-7057507	\$75,169,721	\$5,000 - \$100,000	8/1/21-8/1/22
Crime	Travelers Prop Casualty Co of America	630-7057507	500,000	\$5,000	8/1/21-8/1/22
Equipment Floater	Travelers Prop Casualty Co of America	630-7057507	\$3,849,437	\$1,000 - \$50,000	8/1/21-8/1/22
General Liability	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	NA	8/1/21-8/1/22
Law Enforcement Liability	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	\$5,000	8/1/21-8/1/22
Employee Benefits	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$3,000,000	\$1,000	8/1/21-8/1/22
Management Liability	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	\$5,000/\$50,000	8/1/21-8/1/22
Management Liability-Related to Practices	The Charter Oak Fire Insurance Co	ZLP-511M85218	\$2,000,000	\$10,000	8/1/21-8/1/22
Business Automobile	The Charter Oak Fire Insurance Co	810-2C413439	\$2,000,000	\$1,000 - \$2,500	8/1/21-8/1/22
Commercial Umbrella	Travelers Prop Casualty Co of America	ZUP-911M84121	\$5,000,000	NA	8/1/21-8/1/22
Workers Compensation	The Travelers Indemnity Co of CT	UB-8L703398	\$500,000	NA	8/1/21-8/1/22
Equipment Breakdown	Travelers Prop Casualty Co of America	BMET-7J262816-TL-21	\$50,000,000	\$5,000 - \$50,000	8/1/21-8/1/22
Cyber & Privacy Liability	Axis Insurance Company	P-001-000031566-04	\$2,000,000	\$25,000 (retention)	8/1/21-8/1/22

City of River Falls

Water Utility Revenue Bond Disclosure
Water Sales to General Customers
Year Ended December 31, 2021

	Average Customer Count	Gallons Sold (000's)
Residential	4,570	185,206
Commercial	300	46,654
Industrial	20	21,978
Public Authority	75	34,971
Multi-Family Residential	79	36,644
Irrigation	891	89,741
	5,935	415,194

Electric Utility Revenue Bond Disclosure
Electric Sales to General Customers
Year Ended December 31, 2021

	Average Customer Count	Kilowatt Hours (000's)
Residential	5,939	47,430
Rural	286	2,782
Small Commercial	573	11,794
Industrial	70	40,017
Street & Highway Lighting	10	478
Public Authority	156	25,657
	7,034	128,158

FORM OF LEGAL OPINION

(See following pages.)

Quarles & Brady LLP
411 East Wisconsin Avenue
Milwaukee, WI 53202

October 18, 2022

Re: City of River Falls, Wisconsin ("Issuer")
\$5,995,000 Water System Revenue Bonds, Series 2022D,
dated October 18, 2022 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes, and a resolution adopted by the Common Council of the Issuer on September 27, 2022 (the "Bond Resolution"). The Issuer covenanted in the Bond Resolution that revenues of the Water System (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Bonds as the same falls due.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on May 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2023	\$280,000	____%
2024	295,000	____
2025	305,000	____
2026	315,000	____
2027	325,000	____
2028	340,000	____
2029	350,000	____
2030	355,000	____
2031	315,000	____
2032	230,000	____
2033	235,000	____
2034	245,000	____
2035	255,000	____
2036	270,000	____
2037	280,000	____
2038	290,000	____
2039	305,000	____
2040	320,000	____

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2041	\$335,000	____%
2042	350,000	____

Interest is payable semi-annually on May 1 and November 1 of each year commencing on May 1, 2023.

The Bonds maturing on May 1, 2031 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on May 1, 2030 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer, and within each maturity by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

[The Bonds maturing in the years _____ are subject to mandatory redemption by lot as provided in the Bonds, at the redemption price of par plus accrued interest to the date of redemption and without premium.]

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.
2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.
3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.
4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on individuals; however, interest on the Bonds is taken into account in determining "adjusted financial statement income" for purposes of computing the federal alternative minimum tax imposed on Applicable Corporations (as defined in Section 59(k) of the Code) for taxable years beginning after December 31, 2022. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the

Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

We express no opinion regarding the accuracy, adequacy, or completeness of the Official Statement or any other offering material relating to the Bonds. Further, we express no opinion regarding tax consequences arising with respect to the Bonds other than as expressly set forth herein.

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

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.

FORM OF CONTINUING DISCLOSURE CERTIFICATE

(See following pages.)

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of River Falls, Pierce and St. Croix Counties, Wisconsin (the "Issuer") in connection with the issuance of \$5,995,000 Water System Revenue Bonds, Series 2022D, dated October 18, 2022 (the "Securities"). The Securities are being issued pursuant to a resolution adopted on September 27, 2022 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Final Official Statement dated September 28, 2022 delivered in connection with the Securities, which is available from the MSRB.

"Financial Obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) guarantee of (i) or (ii). The term Financial Obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of River Falls, Pierce and St. Croix Counties, Wisconsin, which is the obligated person with respect to the Securities.

"Issuer Contact" means the Finance Director/Treasurer of the Issuer who can be contacted at 222 Lewis Street, River Falls, Wisconsin 54022, phone (715) 425-0900, fax (715) 425-0915.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year ending December 31, 2022, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. DEBT - Direct Debt
2. DEBT - Debt Limit
3. VALUATIONS - Current Property Valuations
4. THE BONDS - Description of Water System

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;

12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect holders of the Securities, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if the following conditions are met:

(a)(i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Issuer, or the type of business conducted; or

(ii) This Disclosure Certificate, as amended or waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of beneficial owners of the Securities, as determined and certified to the Issuer by an underwriter, financial advisor, bond counsel or trustee.

In the event this Disclosure Certificate is amended for any reason other than to cure any ambiguities, inconsistencies, or typographical errors that may be contained herein, the Issuer agrees the next Annual Report it submits after such amendment shall include an explanation of the reasons for the amendment and the impact of the change, if any, on the type of financial statements or operating data being provided.

If the amendment concerns the accounting principles to be followed in preparing financial statements, then the Issuer agrees that it will give an event notice and that the next Annual Report it submits after such amendment will include a comparison between financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 18th day of October, 2022.

(SEAL)

Danial H. Toland
Mayor

Amy White
City Clerk

NOTICE OF SALE

\$5,995,000* WATER SYSTEM REVENUE BONDS, SERIES 2022D CITY OF RIVER FALLS, WISCONSIN

Bids for the purchase of \$5,995,000* Water System Revenue Bonds, Series 2022D (the "Bonds") of the City of River Falls, Wisconsin (the "City") will be received at the offices of Ehlers and Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, municipal advisors to the City, until 10:30 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:30 A.M. Central Time, on September 27, 2022, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 6:30 P.M., Central Time, on the same date. The bid offering to purchase the Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Bonds are being issued pursuant to Section 66.0621, Wisconsin Statutes, to provide funds for the public purpose of financing improvements and extensions to the City's Water System (the "Water System") and current refunding certain outstanding obligations of the City. The Bonds are not general obligations of the City but are payable only from and secured by a pledge of Net Revenues (defined in the Preliminary Official Statement).

DATES AND MATURITIES

The Bonds will be dated October 18, 2022, will be issued as fully registered Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on May 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2023	\$280,000	2030	\$355,000	2037	\$280,000
2024	295,000	2031	315,000	2038	290,000
2025	305,000	2032	230,000	2039	305,000
2026	315,000	2033	235,000	2040	320,000
2027	325,000	2034	245,000	2041	335,000
2028	340,000	2035	255,000	2042	350,000
2029	350,000	2036	270,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on May 1 and November 1 of each year, commencing May 1, 2023, to the registered owners of the Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board. All

Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds.

PAYING AGENT

The City has selected U.S. Bank Trust Company, National Association, St. Paul, Minnesota, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, the Bonds maturing on or after May 1, 2031 shall be subject to optional redemption prior to maturity on May 1, 2030 or any date thereafter, at a price of par plus accrued interest to the date of optional redemption.

Redemption may be in whole or in part of the Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Bonds to be redeemed shall be at the discretion of the City. If only part of the Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, not less than 30 days nor more than 60 days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about October 18, 2022, the Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL MATTERS

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, Bond Counsel to the City, and will be available at the time of delivery of the Bonds. The legal opinion will be issued on the basis of existing law and will state that the Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding)(See "FORM OF LEGAL OPINION" found in Appendix B of the Preliminary Official Statement).

Quarles & Brady LLP has also been retained by the City to serve as Disclosure Counsel to the City with respect to the Bonds. Although, as Disclosure Counsel to the City, Quarles & Brady LLP has assisted the City with certain disclosure matters, Quarles & Brady LLP has not undertaken to independently verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility whatsoever nor shall have any liability to any other party for the statements or information contained or incorporated by reference in this Official Statement. Further, Quarles & Brady LLP makes no representation as to the suitability of the Bonds for any investor.

SUBMISSION OF BIDS

Bids must not be for less than \$5,911,070 plus accrued interest on the principal sum of \$5,995,000 from date of original issue of the Bonds to date of delivery. Prior to the time established above for the opening of bids, interested parties may submit a bid as follows:

- 1) Electronically to bondsale@ehlers-inc.com; or
- 2) Electronically via **PARITY** in accordance with this Notice of Sale until 10:30 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A good faith deposit ("Deposit") in the amount of \$119,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made.

AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The Bonds are "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Official Statement.

NEW ISSUE PRICING

The winning bidder will be required to provide, in a timely manner, certain information necessary to compute the yield on the Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Bond Counsel upon request.

(a) The winning bidder shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications. All actions to be taken by the City under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City's municipal advisor.

(b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "competitive sale requirements") because:

- (1) The City shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential investors;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the highest price (or lowest interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in this bid.

(c) If all of the requirements of a "competitive sale" are not satisfied, the City shall advise the winning bidder of such fact prior to the time of award of the sale of the Bonds to the winning bidder. In such event, any bid submitted will not be subject to cancellation or withdrawal and the City agrees to use the rule selected by the winning bidder on its bid form to determine the issue price for the Bonds. On its bid form, each bidder must select one of the following two rules for determining the issue price of the Bonds: (1) the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity or (2) the initial offering price to the public as of the sale date as the issue price of each maturity of the Bonds (the "hold-the-offering-price rule").

(d) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the hold-the-offering-price rule, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

(1) the close of the fifth (5th) business day after the sale date; or

(2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder will advise the City promptly after the close of the fifth (5th) business day after the sale whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The City acknowledges that in making the representation set forth above, the winning bidder will rely on:

(i) the agreement of each underwriter to comply with requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-price rule, if applicable to the Bonds, as set forth in an agreement among underwriters and the related pricing wires,

(ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing issue price rule of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Bonds.

(e) If all of the requirements of a "competitive sale" are not satisfied and the winning bidder selects the 10% test, the winning bidder agrees to promptly report to the City, Bond Counsel and Ehlers the prices at which the Bonds have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% test has been satisfied as to each maturity of the

Bonds, provided that, the winning bidder's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(f) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or bond counsel.

(B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group and each broker dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) to promptly notify the winning bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(B) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder shall assume that each order submitted by the underwriter, dealer or broker-dealer is a sale to the public.

(g) Sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each term being used as defined below) shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

(i) "public" means any person other than an underwriter or a related party,

(ii) "underwriter" means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),

(iii) a purchaser of any of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "sale date" means the date that the Bonds are awarded by the City to the winning bidder.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the Bond Sales link. The Syndicate Manager will be provided with an electronic copy of the Final Official Statement within seven business days of the bid acceptance. Up to 10 printed copies of the Final Official Statement will be provided upon request. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

Amy White, Administrative Services Manager/City Clerk
City of River Falls, Wisconsin

BID FORM

The Common Council
City of River Falls, Wisconsin (the "City")

September 27, 2022

RE: \$5,995,000* Water System Revenue Bonds, Series 2022D (the "Bonds")
DATED: October 18, 2022

For all or none of the above Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Official Statement, we will pay you \$_____ (not less than \$5,911,070) plus accrued interest to date of delivery for fully registered Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2023	_____ % due	2030	_____ % due	2037
_____ % due	2024	_____ % due	2031	_____ % due	2038
_____ % due	2025	_____ % due	2032	_____ % due	2039
_____ % due	2026	_____ % due	2033	_____ % due	2040
_____ % due	2027	_____ % due	2034	_____ % due	2041
_____ % due	2028	_____ % due	2035	_____ % due	2042
_____ % due	2029	_____ % due	2036		

* The City reserves the right to increase or decrease the principal amount of the Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

All Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

A good faith deposit ("Deposit") in the amount of \$119,900 shall be made by the winning bidder by wire transfer of funds. Such Deposit shall be received by Ehlers no later than two hours after the bid opening time. Wire transfer instructions will be provided to the winning bidder by Ehlers after the tabulation of bids. The City reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. We agree to the conditions and duties of Ehlers and Associates, Inc., as escrow holder of the Deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about October 18, 2022.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for the Bonds.

We have received and reviewed the Official Statement, and any addenda thereto, and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Bonds within 24 hours of the bid acceptance.

This bid is a firm offer for the purchase of the Bonds identified in the Notice of Sale, on the terms set forth in this bid form and the Notice of Sale, and is not subject to any conditions, except as permitted by the Notice of Sale.

By submitting this bid, we confirm that we are an underwriter and have an established industry reputation for underwriting new issuances of municipal bonds.
YES: ____ NO: ____.

If the competitive sale requirements are not met, we elect to use either the: ____ 10% test, or the ____ hold-the-offering-price rule to determine the issue price of the Bonds.

Account Manager: _____ By: _____

Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from October 18, 2022 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of River Falls, Wisconsin, on September 27, 2022.

By: _____ By: _____
Title: _____ Title: _____



MEMORANDUM

TO: Mayor Toland and City Council Members

FROM: Josh Solinger, Finance Director

DATE: September 27, 2022

TITLE: Resolution Regarding \$750,000 Taxable General Obligation Promissory Notes for Tattersall Development

RECOMMENDED ACTION

Review and approve the resolution to award the sale of \$750,000 in Taxable General Obligation Promissory Notes based on the recommendation of the City's financial advisor.

BACKGROUND

The City uses both short- and long-term financing based on the terms and financing needs. Most of the short-term financing of less than ten years is completed with either the State Trust Fund or local financial institutions. The ability to obtain financing locally is preferred, as the funding is faster and the City has flexibility to prepay the loans if desired.

DISCUSSION

In March 2021, a development agreement with River Falls Holdings, LLC was approved by the City Council which outlines the terms of the project funding and responsibilities of the parties. The project renovating the former Shopko building was completed in December 2021. As part of the agreement, certain incentives were provided to the developer, including tax increment financing of \$750,000 to be paid upon occupancy of the renovated building.

In August 2022, the City Council authorized the City's financial advisor, Ehlers, to solicit 10-year financing quotes in the amount of \$750,000 with local financial institutions. Proceeds of the borrowing will be used to reimburse the City for the development incentive.

The financing quotes will be available at the Council meeting for review and discussion. A final resolution reflecting the recommended debt placement will be distributed at the Council meeting.

FINANCIAL CONSIDERATIONS

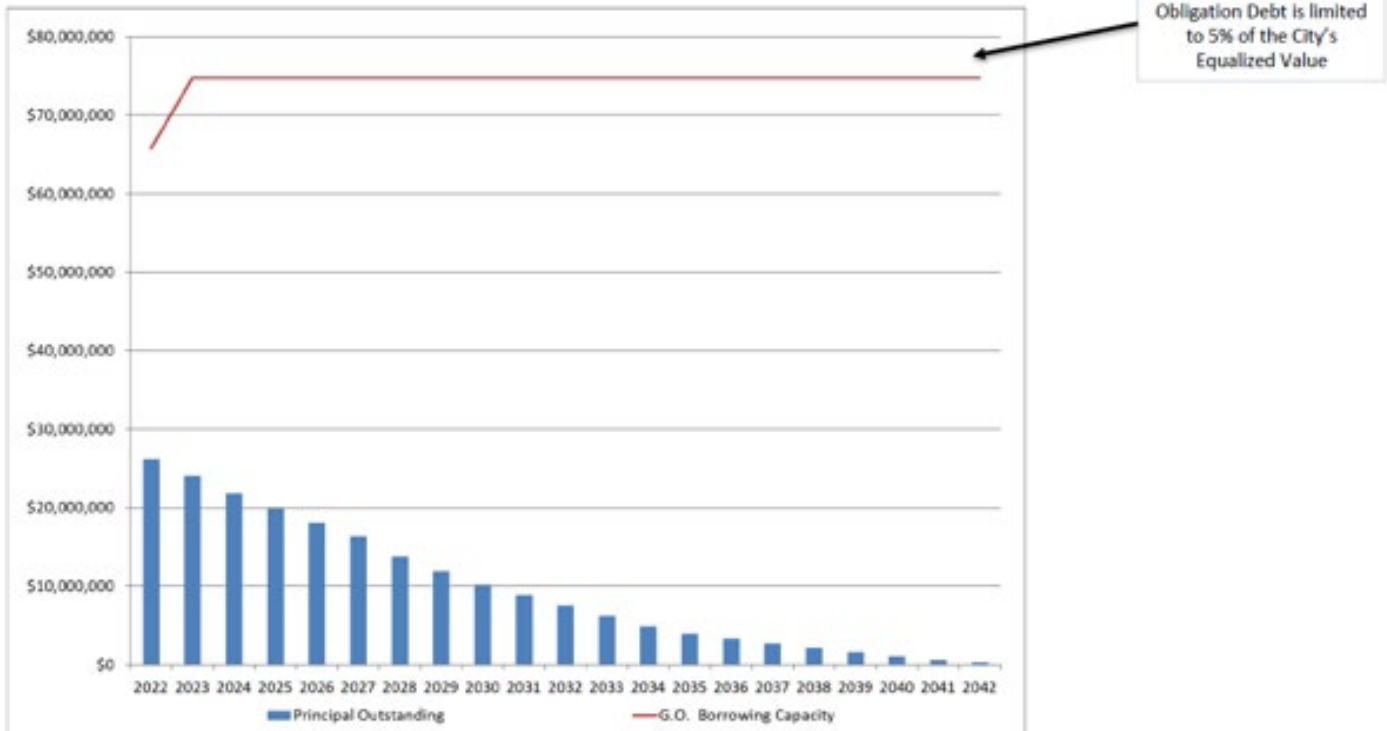
A preliminary term sheet was prepared by Ehlers to solicit quotes from local financial institutions. The preliminary term sheet contemplates the planned principal installments for the City's borrowing. A complete amortization schedule, including interest payments, will be prepared after quotes are received during the day on September 23 and available at the Council meeting. The tables below provide the planned principal installments as well as the City's General Obligation borrowing capacity, including all 2022 General Obligation borrowings.

Table 1. Planned Principal Installments

<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
2023	\$62,000	2028	\$76,000
2024	64,000	2029	79,000
2025	66,000	2030	83,000
2026	69,000	2031	87,000
2027	73,000	2032	91,000

Table 2. General Obligation Borrowing Capacity

Impact on General Obligation Borrowing Capacity (With 2022 Debt Issues)



CONCLUSION

Sean Lentz will be available on behalf of Ehlers to present the quotes and make a recommendation to the Council.



RESOLUTION NO.

**RESOLUTION REGARDING \$750,000 TAXABLE GENERAL OBLIGATION PROMISSORY
NOTES FOR TATTERSALL DEVELOPMENT INCENTIVE**

WHEREAS, the City entered into an agreement in 2021 with River Falls Holdings LLC for the development of Tattersall Distillery at 1777 Paulson Road; and

WHEREAS, the agreement involved a commitment of tax increment financing in the amount of \$750,000 payable on completion of the project; and

WHEREAS, in August 2022 the City Council authorized soliciting quotes from local banks to finance the City's tax increment financing commitment; and

WHEREAS, quotes were received and evaluated by Ehlers and Ehlers recommends placing the financing with _____; and

WHEREAS, the City Council accepts Ehlers' recommendation.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of River Falls that it hereby authorizes the Mayor and City staff to sign the necessary loan documents for the financing of the projects in the amount of \$750,000 from _____.

Dated this 27th day of September 2022.

Dan Toland, Mayor

ATTEST:

Amy White, City Clerk

RECOMMENDED PROCEDURES AND REQUIREMENTS FOR CITY BORROWING ON A NOTE MATURING WITHIN 10 YEARS

(Attached forms should be used for "City" borrowing)

Section 67.12(12) of the Wisconsin Statutes permits cities to borrow on a promissory note or notes, payable within a period not initially exceeding 10 years, for any public purpose (defined to mean the performance of any power or duty of the city), for any general and current municipal expense or to refinance any obligation of the city.

Such permitted borrowings are subject to the following terms and conditions which are covered by the attached WBA Forms 200A through 200I all of which must be suitably prepared, executed and delivered to the lender:

- (1) To evidence the indebtedness, the city issues to the lender its interest-bearing note payable over an agreed period not exceeding 10 years following the date of issuance of the note. A "balloon" installment is permitted, but it is recommended that some portion of the principal amount be paid each year. The city may refinance the note. See (7) below.
- (2) The note must be signed by the mayor and city clerk and be sealed with the corporate seal of the city, if one has been adopted. In the case of a city organized with a city manager form of government under Chapter 64 of the Wisconsin Statutes, the city manager would sign the note instead of the mayor.
- (3) The note is the general obligation of the city.
- (4) Before any such loan is made, the common council must adopt (by majority vote of the members-elect of the Common Council) and record a resolution:
 - (a) Specifying the purpose or purposes and the amount of the loan.
 - (b) Specifying the payments, maturity and rate of interest. **(1)**
 - (c) Levying a direct annual irrevocable tax sufficient to pay principal payments on the note, and interest as it becomes due and payable. The tax for each year after receipt of the borrowed money shall become and continue irrevocable and shall be carried into the tax rolls each year and shall be collected as other taxes are collected except that (i) if the note is paid prior to maturity, the still uncollected portions of the tax levied to provide repayment need not be carried into the tax roll; and (ii) the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account under Section 67.11 of the Wisconsin Statutes.
- (5) The note must include a statement specifying the provisions of the authorizing resolution, or a reference thereto, so that the resolution can be readily located.
- (6) The note may provide for prepayment on the terms and conditions prescribed therein.
- (7) The city may refinance the note with the same lender or a different lender. More than one refinancing is permitted, but no refunding note may have a term of more than 10 years or mature more than 20 years after the date of the original note. If refinancing is required, all documentation must be redone with all required municipal authority and a new note issued only upon return of the note being refinanced.
- (8) The debt limitation applicable to cities is 5% of the value of the taxable property located therein as equalized for state purposes. The Certificate of Full Equalized Value (WBA 200E) should be obtained and be presented as a part of the closing documents.
- (9) The city is required by Section 67.05(12) of the Wisconsin Statutes to keep a separate record book concerning obligations issued by the city. The city clerk should include in that book a full statement of the proceedings relating to the issuance of the note(s).
- (10) Since most borrowings which utilize these forms are expected to exceed one year in term, the Promissory Note provided (WBA 200D) is in fully-registered form. **NOTE:** The registration provisions contained in these forms impose on the city clerk the obligation to keep a record of the ownership of the note(s) and any subsequent transfers of the note(s). See Resolution (WBA 200B). These records must be kept in a separate record book maintained by the city clerk and also must be noted on the registration grid on the back of the note(s). See Promissory Note (WBA 200D).

CHECKLIST — 67.12(12) NOTES

1. Certificate — WBA Form 200A
2. Resolution — WBA Form 200B
3. Treasurer's Certificate — WBA Form 200C
4. Promissory Note — WBA Form 200D
5. Certificate of Full Equalized Value — WBA Form 200E
6. Arbitrage Certificate — WBA Form 200F
7. Investment Representation — WBA Form 200G
8. Federal Tax Compliance Certificate — WBA Form 200H
9. Federal Information Returns - WBA Form 200I

-
- (1) Due to the complexities involved in a variable rate loan to a Municipality, these forms contemplate only fixed rate financing. However, variable rate loans are permitted by Section 67.15 of the Wisconsin Statutes.

CAUTION: It is recommended that lenders seek legal assistance in lending to municipalities as such loans can become complex. It is also recommended that banks consult legal counsel regarding statutory or tax changes which may have occurred since the time these forms were prepared.

CERTIFICATE



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

©Wisconsin Bankers Association 2006

STATE OF WISCONSIN

County of _____ } ss.

I, _____, do hereby certify to _____ (NAME OF LENDER) and any other owner or owners of the note(s) as follows:

1. That I am the duly qualified and acting Clerk of the City of _____, County, Wisconsin (hereinafter called the "City") and that I was such at all of the times mentioned in this certificate.

2. That the following are all of the members-elect of the governing body of the City, and were duly qualified and acting as such at all times mentioned in this certificate:

3. That the following named persons, whose authentic signatures are hereto subscribed, are the duly qualified and acting officers of the City presently holding the offices set forth opposite their respective name below:

NAME	OFFICE	MANUAL SIGNATURE
_____	Mayor (or City Manager)	_____
_____	City Clerk	_____
_____	City Treasurer	_____

4. That there is no controversy or litigation pending or threatened affecting the corporate existence of the City, its boundaries, the right or title to office of any of its officers, or in any manner affecting the due authorization or validity of the borrowings by the City.

5. That at a duly-convened meeting of the Common Council (or City Council) of the City, which is the governing body, held in open session at _____, Wisconsin, at _____ o'clock, _____ M., on the _____ day of _____, at which _____ of the members-elect were present in person, a resolution authorizing the City to borrow the sum of _____ Dollars (\$ _____) from _____, Wisconsin pursuant to Section 67.12(12), Wisconsin Statutes, was duly adopted by the affirmative vote of _____ of the members present at the meeting; that said resolution has been duly recorded in the minutes and proceedings of said meeting and is in full force and effect on the date of this certificate; and that a true and correct copy of said resolution is attached hereto, marked Exhibit A and made a part hereof.

6. That there is attached hereto, marked Exhibit B and made a part hereof, a certificate of the Treasurer of the City certifying that the aggregate indebtedness and obligations of all kinds of the City outstanding on the date affixed to said certificate, including the note issue in support of which this certificate is executed, total \$ _____ (1); that I know said officer and saw him/her execute said certificate; and that the matters stated therein are true and complete.

7. That the value of all of the taxable property in the City, as equalized for state purposes by the Wisconsin Department of Revenue, is \$ _____ (2)

IN WITNESS WHEREOF, I have executed this certificate in my official capacity to be effective this _____ day of _____ (3)

CITY CLERK

Approved as correct:

MAYOR (OR CITY MANAGER)

CITY TREASURER

(1) This aggregate indebtedness must not exceed the restrictions described in paragraph (8) of instruction sheet.

(2) See Certificate of Full Equalized Value (WBA 200E)

(3) This certificate should be dated on the date payment for the note is actually received.

EXHIBIT A
RESOLUTION

(Adopted at an Open Meeting held _____, _____)

WHEREAS the City of _____ County, Wisconsin
 ("City"), is presently in need of funds aggregating \$ _____ for public purpose(s) of: (1)

; and

WHEREAS, the Council deems it necessary and in the best interests of the City that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of _____ Dollars (\$ _____) be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose(s) hereinabove set forth the City, by its Mayor (or City Manager), and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from _____

("Lender"), the sum of \$ _____, and, to evidence such indebtedness, said Mayor (or City Manager) and City Clerk shall make, execute and deliver to the Lender for and on behalf of the City the promissory note of the City to be dated _____, in said principal amount with interest at the rate of _____ percent (_____%) per annum and payable as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on _____, PLUS interest payable as set forth below.
- (b) ☐ **Installments of Principal and Interest.** (2) In _____ equal payments of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on _____. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In _____ equal payments of principal of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on _____, PLUS interest payable as set forth below.
- (d) ☒ **Other.** _____

Interest is payable on _____, and on ☐ the same day of each _____ month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box (b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☒ a 360 day year ☐ a 365 day year. (2) of twelve thirty day months. Said interest to be payable on the dates set forth above on the outstanding principal balance, with ☐ no prepayment privileges ☒ prepayment privileges on any principal or interest payment date on or after _____.

A copy of the promissory note shall be attached to this resolution.

(1) Here describe each purpose in detail. If the purpose is meeting general and current municipal expenses or refinancing obligation of the City, so specify.

(2) Section 67.12(12), Wisconsin Statutes, does not place any restrictions on the basis of interest rate calculations.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the City, a direct annual irrepealable tax sufficient in amount to pay the principal and interest on said note as the same becomes due and payable, said tax to be in the following minimum amounts:(4) (6)

Amount of Tax (principal and interest)	To Meet Note Payments Due On	Year of Levy (must be in year(s) prior to due date)
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.
\$ _____	_____	For the year _____.

If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said note when due, the requisite amount shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

In the event that the City exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

In each of said levy years, the direct annual tax so levied shall be carried into the tax rolls each year and shall be collected in the same manner and at the same time as other taxes of the City for such years are collected; provided, that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account for the note. So long as any part of the principal of, or interest on, said note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on, said note.

BE IT FURTHER RESOLVED, that there be and there hereby is established in the treasury of the City, if one has not already been established, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund. Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for Promissory

Note dated _____," which account shall be used solely for the purpose of paying principal of and interest on said note. There shall be deposited in said account any accrued interest paid on said note at the time it is delivered to the Lender, all money raised by taxation or appropriated pursuant hereto, and such other sums as may be necessary to pay principal and interest on said note when the same shall become due.

BE IT FURTHER RESOLVED, that the proceeds of said note shall be used solely for the purposes for which it is issued, but may be temporarily invested until needed in legal investments, provided that no such investment shall be in such a manner as would cause said note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder; and an officer of the City, charged with the responsibility for issuing the note, shall certify by use of an arbitrage certificate, if required, that, on the basis of the facts, estimates and circumstances in existence on the date of the delivery of the note, it is not expected that the proceeds will be used in a manner that would cause said note to be an "arbitrage bond."

BE IT FURTHER RESOLVED, that the projects financed by the note and their ownership, management and use will not cause the note to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and that the City shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the note.

BE IT FURTHER RESOLVED, that the City Clerk shall keep records for the registration and for the transfer of the note. The person in whose name the note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid. The note may be transferred by the registered owner thereof by presentation of the note at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the City Clerk, shall be made on such note.

BE IT FURTHER RESOLVED, that the note is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income, for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.(5)

BE IT FURTHER RESOLVED, that the City officials are hereby authorized and directed, so long as said note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

BE IT FURTHER RESOLVED, that said note shall be delivered to the Lender on or after the date of said note, upon receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery, provided that, if this is a refinancing, the refunding note shall be immediately exchanged for the note being refinanced.

(4) First tax levy should be for the current year unless tax roll has already been delivered for collection, and amount of levy should be sufficient to meet all principal and interest payments coming due prior to date for collection of next succeeding tax levy.

(5) Delete this paragraph if the City will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, banks will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.

EXHIBIT B — CERTIFICATE RESPECTING
INDEBTEDNESS AND RECEIPT OF LOAN PROCEEDS

STATE OF WISCONSIN

County of _____

} ss.

The undersigned Treasurer of the City of _____ County, Wisconsin, hereby certifies that the total aggregate indebtedness and obligations of said City, howsoever incurred, outstanding on the date hereof, including the Promissory Note dated _____, in support of which this certificate is executed, is \$ _____, determined as follows: (1)

The undersigned further certifies that the lender of the borrowed funds evidenced by said note has paid the entire principal amount of said note, plus accrued interest (if any), in accordance with the terms of the resolution authorizing said note.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity this _____ day of _____, (2)

CITY TREASURER

(1) Here set forth in detail each item of outstanding indebtedness of the City, including this note issue.

(2) This certificate should be dated on the date payment for the note is actually received and should be received by the lender simultaneously with its disbursement of funds.

PROMISSORY NOTE



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

No. _____ City of _____ NAME _____ Dated _____ \$ _____

1. Promise to Pay and Payment Schedule. For value received, the City of _____ County, Wisconsin ("City"), promises to pay to _____, or registered assigns, ("Lender") the sum of _____ Dollars (\$ _____), payable with interest at the rate of _____ percent (_____%) per annum as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on _____, PLUS interest payable as set forth below.
- (b) ☐ **Installments of Principal and Interest.** In _____ equal payments of \$ _____ due on _____ and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on _____. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In _____ equal payments of principal of \$ _____ due on _____ and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on _____, PLUS interest payable as set forth below.
- (d) ☒ **Other.** _____

Principal and interest on this note shall be payable only to the Lender in lawful money of the United States of America at the office of the Lender. The final installment of principal on this note shall be payable only upon presentation and surrender of this note to the City Treasurer.

2. Interest Payment. Interest is payable on _____, and on ☐ the same day of each _____ month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box 1(b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☒ a 360 day year ☐ a 365 day year.

3. Prepayment. Full or partial prepayment of this note ☐ is not permitted ☒ is permitted on any principal or interest payment date without penalty on or after _____. All prepayments shall be applied first upon the unpaid interest and then applied upon the unpaid principal in inverse order of maturity.

4. Other Charges. If any payment (other than the final payment) is not made on or before the _____ day after its due date, Lender may collect a delinquency charge of _____% of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid (whether by acceleration or lapse of time) at the rate ☐ which would otherwise be applicable plus _____ percentage points ☐ of _____% per year, computed on the basis of ☐ a 360 day year ☐ a 365 day year. City agrees to pay a charge of \$ _____ for each check presented for payment under this note which is returned unsatisfied.

5. Security. For the prompt payment of this note with interest and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

6. Transferability. This note is transferable only upon the records of the City kept for that purpose at the office of the City Clerk, by the Lender in person or its legal representative duly authorized in writing, upon presentation of a written instrument of transfer satisfactory to the City Clerk and upon such transfer being similarly noted hereon. The City may deem and treat the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes.

7. Terms and Purposes; Authorization. This note issued under the terms of and for purposes specified in Section 67.12(12), Wisconsin Statutes; and is authorized by a resolution of the Common Council duly adopted by the Council at its open meeting duly convened on _____ which resolution is recorded in the official book of its minutes pertaining to said date.

8. Internal Revenue Code. This note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended. (1)

9. Certifications and Recitations of City. It is hereby certified and recited that all conditions, things and acts required by law to exist, to be or to be done prior to and in connection with the issuance of this note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this note, does not exceed any limitation imposed by law, and that the City has levied a direct annual irrepealable tax sufficient to pay this note together with interest thereon when and as payable.

THIS NOTE CONTAINS ADDITIONAL PROVISIONS ON REVERSE SIDE

City of _____

(Impress official or corporate seal, if any)

_____, County, Wisconsin.

By _____ MAYOR (OR CITY MANAGER)

By _____ CITY CLERK

(1) Delete this paragraph if the City will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, lenders will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.

NOTE: Official or corporate seal, if any, to be affixed.

(SEE REVERSE FOR REGISTRATION PROVISIONS)

10. Default and Enforcement. Upon the occurrence of any one or more of the following events of default: (a) City fails to pay any amount when due under this note or under any other instrument evidencing any indebtedness of City to Lender, (b) any representation or warranty made under this note or information provided by City to Lender in connection with this note is or was false or fraudulent in any material respect, (c) a material adverse change occurs in City's financial condition, (d) City fails to timely observe or perform any of the covenants or duties in this note, (e) an event of default occurs under any agreement securing this note, or (f) Lender deems itself insecure, then the unpaid balance shall, at the option of Lender, without notice, mature and become immediately payable. The unpaid balance shall automatically mature and become immediately payable in the event City becomes the subject of bankruptcy or other insolvency proceedings. Lender's receipt of any payment on this note after the occurrence of an event of default shall not constitute a waiver of the default of the Lender's rights and remedies upon such default.

11. Venue. To the extent not prohibited by law, City consents that venue for any legal proceeding relating to collection of this note shall be, at Lender's option, the county in which Lender has its principal office in this state, the county in which City is located or the county in which this note was executed by City.

12. Obligations and Agreements of City. City agrees to pay all costs of collection before and after judgment, including reasonable attorneys' fees (including those incurred in successful defense or settlement of any counterclaim brought by City or incident to any action or proceeding involving City brought pursuant to the United States Bankruptcy Code) and waive presentment, protest, demand and notice of dishonor. Subject to Section 893.80, Wisconsin Statutes, City agrees to indemnify and hold harmless Lender, its directors, officers and agents, from and under this note or the activities of City. This indemnity shall survive payment of this note. City acknowledges that Lender has not made any representation or warranties with respect to, and the Lender does not assume any responsibility to City for, the collectability or enforceability of this note or the financial condition of City. City has independently determined the collectability and enforceability of this note. City authorizes Lender to disclose financial and other information about City to others.

13. No Waiver; Rights and Remedies of Lender. No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy under this note shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this note preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this note are cumulative and not exclusive of any remedies provided by law. Without affecting the liability of City, Lender may, without notice, accept partial payments, release or impair any collateral security for the payment of this note or agree not to sue any party liable on it. Without affecting the liability of City, Lender may from time to time, without notice, renew or extend the time for payment subject to the time limits prescribed in Section 67.12(12), Wisconsin Statutes.

14. Interpretation. This note is intended by City and Lender as a final expression of this note and as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this note. This note may not be supplemented or modified except in writing. This note benefits Lender, its successors and assigns, and binds City and its successors and assigns. The validity, construction and enforcement of this note are governed by the internal laws of Wisconsin. Invalidity or unenforceability of any provision of this note shall not affect the validity or enforceability of any other provisions of this note.

REGISTRATION PROVISIONS

This note shall be registered in registration records kept by the City Clerk of the City of _____ Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this note may thereafter be transferred only upon presentation of a written instrument of transfer satisfactory to the City Clerk duly executed by the Lender or its attorney, such transfer to be made on such records and endorsed hereon.

REGISTRATION

Date of Registration	Name of Lender	Signature of City Clerk
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CERTIFICATE OF FULL EQUALIZED VALUE (1)

I hereby certify that I am Chief of the Local Government Services Section of the Wisconsin Department of Revenue and in such capacity I am authorized to certify the equalized value of the taxable property in cities in Wisconsin.

I further certify that the equalized value of all the taxable property of the City of _____
_____ County, Wisconsin, as last determined by the Wisconsin Department of Revenue pursuant to Section 67.03, Wisconsin Statutes, is
\$ _____, said determination being as of _____.

Dated this _____ day of _____.

Chief, Local Government Services Section,
WISCONSIN DEPARTMENT OF REVENUE

ARBITRAGE CERTIFICATE (1)



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

City of _____, Wisconsin ("the "Municipality") \$ _____ Promissory Note

Dated _____ (the "Obligation")

The undersigned financial officer of the Municipality certifies that no notice of the Commissioner of Internal Revenue has been published to the effect that the Arbitrage Certificates of the Municipality may not be relied upon nor has the Municipality been advised that such a listing is contemplated, and further certifies and reasonably expects that:

1. In the case of a construction or acquisition financing:

- (a) The Municipality has or will enter into contracts within 6 months from the date hereof for the project (the "Project") to be financed by the Obligation, which contracts will cause it to be obligated to pay amounts equal to at least 5% of the total cost of the Project. Such contracts are not subject to contingencies within the Municipality's or a related party's control.
- (b) Work on the Project will proceed with due diligence to completion and the allocation of the proceeds of the Obligation to expenditures on the Project will proceed with due diligence.
- (c) 100% of the proceeds of the Obligation will be expended for Project costs within 3 years from the date hereof.
- (d) The Project will not be sold or otherwise disposed of in whole or in part, prior to the last maturity of the Obligation.
- (e) The Municipality has general taxing powers, all of the net proceeds of the Obligation are to be used for local government activities of the Municipality and the aggregate face amount of all tax-exempt obligations issued by the Municipality and all subordinate entities(2) of the Municipality in the current calendar year will not exceed \$5,000,000(3). Therefore, the rebate requirements of federal arbitrage law are not applicable to the Municipality and the Obligation.(4)
- (f) None of the proceeds of the Obligation are being invested in investments having a substantially guaranteed yield for a period of four years or more.

2. In the case of a refunding:

- (a) The obligations being refunded will be discharged within 30 days of the date hereof;
- (b) There are no remaining original or investment proceeds of the obligations being refunded, so that there are no "transferred proceeds" with respect to the Obligation.
- (c) All of the proceeds of the Obligation will be expended within six months of the date hereof.(4)
- (d) The Municipality expected on the date the obligations being refunded were issued that at least 85% of the spendable proceeds of the refunded obligations would be used to carry out the governmental purposes of those obligations within a three-year period beginning on such date, and not more than 50% of the proceeds of the refunded obligations were invested in investments having a substantially guaranteed yield for four years or more.

3. The principal amount of the Obligation, together with investment earnings thereon, will not exceed the amount necessary for the Project or refunding.

4. The only sinking fund with respect to the Obligation is the Debt Service Account created by the resolution authorizing the Obligation. The Municipality does not expect to create or establish any other sinking fund with respect to the Obligation.

5. The Obligation will be repaid through debt service payments made from the Debt Service Account. At least once a year, the amounts in the Debt Service Account will be depleted to an amount not in excess of the greater of the earnings on the Debt Service Account for the immediately preceding bond year or 1/12th of the debt service on the Obligation for the immediately preceding bond year. All amounts used to pay debt service during a year will be expended within thirteen months of receipt, and any amount received from investment of money in the Debt Service Account will be expended within one year from the date of the receipt.

To the best of my knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing expectations.

IN WITNESS WHEREOF, I have executed this certificate on _____.*

TREASURER

On the basis of the foregoing, in my opinion, the Obligation is not an arbitrage bond as defined in Section 148, Internal Revenue Code of 1986, as amended, and applicable income tax regulations, including Regulations Sections 1.148-1 through 1.148-11.

ATTORNEY FOR CITY

(SEE REVERSE SIDE FOR INSTRUCTIONS ON THE USE OF THIS ARBITRAGE CERTIFICATE)

- (1) Only required if face amount exceeds \$1,000,000.
- (2) Subordinate entities include entities deriving their issuing authority from the Municipality or subject to substantial control by the Municipality (e.g. a municipal water or sewerage commission or housing authority).
- (3) Private activity bonds (such as "industrial development bonds") do not count toward the \$5,000,000 limitation.
- (4) If this certification cannot be made, lenders and municipalities should obtain legal assistance before proceeding with the loan, because failure to comply with the rebate requirement could result in loss of tax exemption for the Obligation.

* This certificate should be dated on the date the proceeds of the Obligation are actually received.

INSTRUCTIONS FOR ARBITRAGE CERTIFICATE (WBA 200F)

The arbitration regulations (Regs. Secs. 1.148-1 through 1.148-11), which are designed to prevent municipalities from borrowing money to make investments, are extremely complex. This form is intended to cover almost all cases, but it is not the only set of facts complying with the regulations. If the Municipality cannot make the certifications required, consult your attorney.

1. In the case of a construction or acquisition financing:
 - (a) The Project must be underway or at least ready to go in the near future. Accordingly, the Municipality must have substantial contracts (representing at least 5% of the Project costs) either in existence or to be finalized within 6 months of the date of the Arbitrage Certificate. Note that it is required only that contracts calling for such payments be entered into; it is not required that payments actually be made within 6 months. The contracts cannot be subject to contingencies within the Municipality's or a related party's control.
 - (b) Construction of the Project and the expenditure of the borrowed funds to pay Project costs should proceed without unnecessary delay.
 - (c) All of the borrowed money must be expended for the Project costs within 3 years of the date of the loan.
 - (d) The Municipality may not sell the Project prior to the maturity of the loan.
 2. In the case of a refunding:
 - (a) The obligations being refunded must be discharged within a certain period defined by the regulations. The period available in all cases is 30 days. If the refunded obligations will not be retired by the end of 30 days, consult your attorney.
 - (b) Special consideration is required if any proceeds of the obligations being refunded, or monies earned from investment of them, remain unexpended. If such unexpended funds do exist, consult your attorney.
 3. In all cases, the amount of the loan plus the amount to be earned investing the proceeds of the loan cannot be greater than the cost of the Project or the amount needed for the refunding, plus the necessary expenses of obtaining the loan (such as counsel fees, printing expenses, etc.).
- "Project" as used herein is a broad term and would include all of the purposes for which notes are permitted to be issued. The determinations herein are the reasonable expectations of the City at the time the note is issued.

FACTS AND ESTIMATES IN SUPPORT OF ARBITRAGE CERTIFICATE (WBA 200F)

\$ _____ Promissory Note Dated _____

1. Use of Funds

Total Project costs (1) are estimated to be at least	\$ _____
Total issue expenses, if payable by Municipality, and not included in Project costs, are estimated to be	\$ _____
TOTAL	\$ _____

2. Source of Funds

Note proceeds	\$ _____
Investment earnings	\$ _____
Other sources (if any), itemize:	
_____	\$ _____
_____	\$ _____
TOTAL	\$ _____

3. Construction Schedule

(a) hire architect/engineer	_____
(b) bid Project	_____
(c) commence construction	_____
(d) complete construction	_____

4. Equipment (land) Purchase

(a) contract of purchase	_____
(b) delivery of equipment (land)	_____
(c) final payment on contract of purchase	_____

INVESTMENT REPRESENTATION *
(To be prepared and executed by a bank officer
for retention in bank files)



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

The undersigned officer of _____, (1) Wisconsin hereby certifies with respect to the purchase of a \$_____ Promissory Note dated _____ issued by the City of _____, Wisconsin, that it is purchasing said note for investment purposes and will not resell said note, except to another bank or banks which will also make this certification.

Dated: _____ (2)

_____, (1)

By: _____

Title: _____

- (1) Name of bank.
(2) Date that loan is closed.

*Section 551.21 of the Wisconsin Statutes, and the regulations thereunder, require that municipal obligations be registered with the Wisconsin Department of Financial Institutions unless there is a basis for an exemption from such registration. In most transactions in which these WBA forms are employed, it is expected that an exemption will apply as the result of the sale of the note(s) to a bank which will resell the note(s), if at all, only to another bank or banks. To document the applicability of this exemption, the bank should sign the investment representation set forth above.

NOTE: If this representation cannot be made, other bases of exemption may be available. However, legal assistance should be obtained before proceeding with the loan in such a case.

200H (8/06)

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FEDERAL TAX COMPLIANCE CERTIFICATE

City of _____, Wisconsin
(the "Municipality")

\$ _____ Promissory Note

Dated _____ (the "Obligations")

The Municipality represents and covenants as follows:

1. None of the proceeds of the Obligations will be used, either directly or indirectly, (a) to make or finance loans to persons other than state and local governments or (b) in any trade or business carried on by any person other than a governmental unit. No payment of the principal or interest on the Obligations will be made (directly or indirectly, to the Municipality or any other party) from trade or business use of the proceeds or will be otherwise secured by or derived from property used in a trade or business or payments in respect of such property. No part of the projects financed by the Obligations (the "Projects") is or will be owned by persons other than the Municipality. There are and will be no leases, management or incentive payment contracts, take-or-pay or other output contracts or similar arrangements between the Municipality and any nongovernmental person with respect to the Projects. (1)

2. The Municipality has designated the Obligations as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, relating to the ability of financial institutions to deduct, for federal income tax purposes, interest expense allocable to carrying or acquiring municipal obligations. The aggregate principal amount of tax-exempt governmental obligations issued by the Municipality and all subordinate entities in the current calendar year (including obligations issued on behalf of 501(c)(3) corporations) will not exceed \$10,000,000. (2) (3) (4)

3. The payment of principal or interest with respect to the Obligations will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof. None of the proceeds of the Obligations will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, except for proceeds invested during permitted temporary periods or in the debt service fund for the Obligations or as otherwise permitted under Section 149(b)(3) of the Internal Revenue Code of 1986, as amended.

4. Any expenditures already paid by the Municipality for which the Municipality is to be reimbursed with proceeds of the Obligations (a) were paid no more than 60 days before the date on which the Municipality adopted the resolution authorizing the issuance of Obligations to finance the projects or stating its intention to reimburse itself from the proceeds of the Obligations for any expenditures relating to the Projects which it paid from other funds of the Municipality prior to receipt of the proceeds of the Obligations ("Original Expenditure"); or (b) are preliminary expenditures relating to the Projects (such as architectural, engineering, surveying, soil testing and similar costs but not including land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the issue price of the portion of the Obligations which relates to those Projects; or (c) are in an amount that does not exceed the lesser of \$100,000 or five percent of the face value of the issue. If (a) is true, a written allocation that evidences the Municipality's use of the proceeds to reimburse an Original Expenditure has been or will be made not later than 18 months (5) after the date of the Original Expenditure is paid, or the date the project is placed in service or abandoned, whichever is later. (6)

IN WITNESS WHEREOF, we have executed this certificate in our official capacities to be effective this _____ day of

(7)

Mayor (or City Manager)_____
City Clerk_____
Treasurer

(1) The purpose of this certification is to demonstrate that the Obligations are not "private activity bonds." If they are, they are subject to additional requirements and restrictions, if they can be issued on a tax-exempt basis at all. Lenders are advised to obtain legal assistance before proceeding with a loan in such a case. Common examples of arrangements which can result in private activity bond status are the sale or lease of property to private parties, reserved capacity arrangements or other special arrangements regarding sewage treatment facilities, leases or management contracts with respect to hospitals, airports or similar enterprises, or development agreements in tax increment projects.

(2) Subordinate entities include entities deriving their issuing authority from the Municipality or subject to substantial control by the Municipality. (e.g., a municipal water or sewerage commission or housing authority).

(3) Private activity bonds (such as "industrial development bonds") do not count toward the \$10,000,000 limitation; however, obligations issued on behalf of 501(c)(3) corporations (commonly hospitals or nursing homes) do count toward the \$10,000,000 limit.

(4) If this certification cannot be made, lenders will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the Obligations.

(5) This time limitation is extended to 3 years if the aggregate face amount of all tax-exempt bonds or notes issued by the Municipality during the calendar year in which the Obligations are incurred is reasonably expected not to exceed \$5,000,000.

(6) The purpose of this certification is to demonstrate that the Municipality has complied with the federal reimbursement regulations under Section 1.150-2 of the Internal Revenue Code Regulations, as amended. These regulations limit the ability of a municipality to use the proceeds of a tax-exempt borrowing to reimburse itself for expenditures previously made on a project. Generally, these rules apply to construction or acquisition financing; special reimbursement rules apply for refundings. If the Municipality cannot make the certifications contained in this paragraph, consult your attorney.

(7) This certificate should be dated the date that payment for the Obligations is actually received.

INSTRUCTIONS FOR AND EXPLANATION OF
FEDERAL RETURNS

2001 (8/06)

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Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

The Internal Revenue Code of 1986, as amended, requires that an information report concerning each issue of municipal obligations be filed with the Secretary of the Treasury, as a condition to federal tax exemption. Please note that, although the term "bonds" is used on Forms 8038-G and 8038-GC, an information return is required for all lending transactions covered in the WBA Municipal Transactions Satellite Manual. Under the Internal Revenue Code of 1986, as amended, a "bond" is any obligation of a political subdivision. The form to be filed differs, depending on whether the issue price is under \$100,000 or is \$100,000 or more.

1. For issues of \$100,000 or more, IRS Form 8038-G must be filed.
2. For issues under \$100,000, IRS Form 8038-GC must be filed.

Some points to note:

- (a) A separate Information Return should be filed for each issue.
- (b) The deadline for filing is the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued. For example, if borrowing is done in January, February or March, the Information Return must be filed no later than the following May 15.
- (c) Alternatively, for issues under \$100,000, a consolidated Form 8038-GC could be filed at the end of the calendar year. However, it is recommended that in all cases the appropriate form 8038-G or 8038-GC be filed promptly upon the closing of the loan.
- (d) The form should be executed by an officer of the Municipality.
- (e) The form should be mailed to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

Although Forms 8038-G and 8038-GC are to be filed by the Municipality, the bank should see to it that the filing is made, since the filing is a condition to exemption from federal income taxation for interest paid on the notes issued by the Municipality.

CAUTION: Please note that the Federal Information Return Forms (8038-G and 8038-GC) are periodically revised and updated by the IRS. Please check the revision date of the form you plan to use and confirm with the IRS that it is current.



MEMORANDUM

TO: Mayor Toland and City Council Members

FROM: Josh Solinger, Finance Director

DATE: September 27, 2022

TITLE: **Resolution Regarding \$749,000 Taxable General Obligation Promissory Notes for Mann Valley Land Acquisition**

RECOMMENDED ACTION

Review and approve the resolution to award the sale of \$749,000 in Taxable General Obligation Promissory Notes based on the recommendation of the City's financial advisor.

BACKGROUND

The City uses both short- and long-term financing based on the terms and financing needs. Most of the short-term financing of less than ten years is completed with either the State Trust Fund or local financial institutions. The ability to obtain financing locally is preferred, as the funding is faster and the City has flexibility to prepay the loans if desired.

DISCUSSION

In May 2022, the City acquired land at 730 County Road M. This property is intended to be incorporated into the Mann Valley Corporate Park development, with final planning scheduled for completion in 2023. As undeveloped property, tax increment revenues will not be available for debt service payments for several years, therefore interest-only financing is recommended.

In August 2022, the City Council authorized the City's financial advisor, Ehlers, to solicit five-year financing quotes in the amount of \$749,000 with local financial institutions. Proceeds of the borrowing will be used to reimburse the City for the land acquisition.

The financing quotes will be available at the Council meeting for review and discussion. A final resolution reflecting the recommended debt placement will be distributed at the Council meeting.

FINANCIAL CONSIDERATIONS

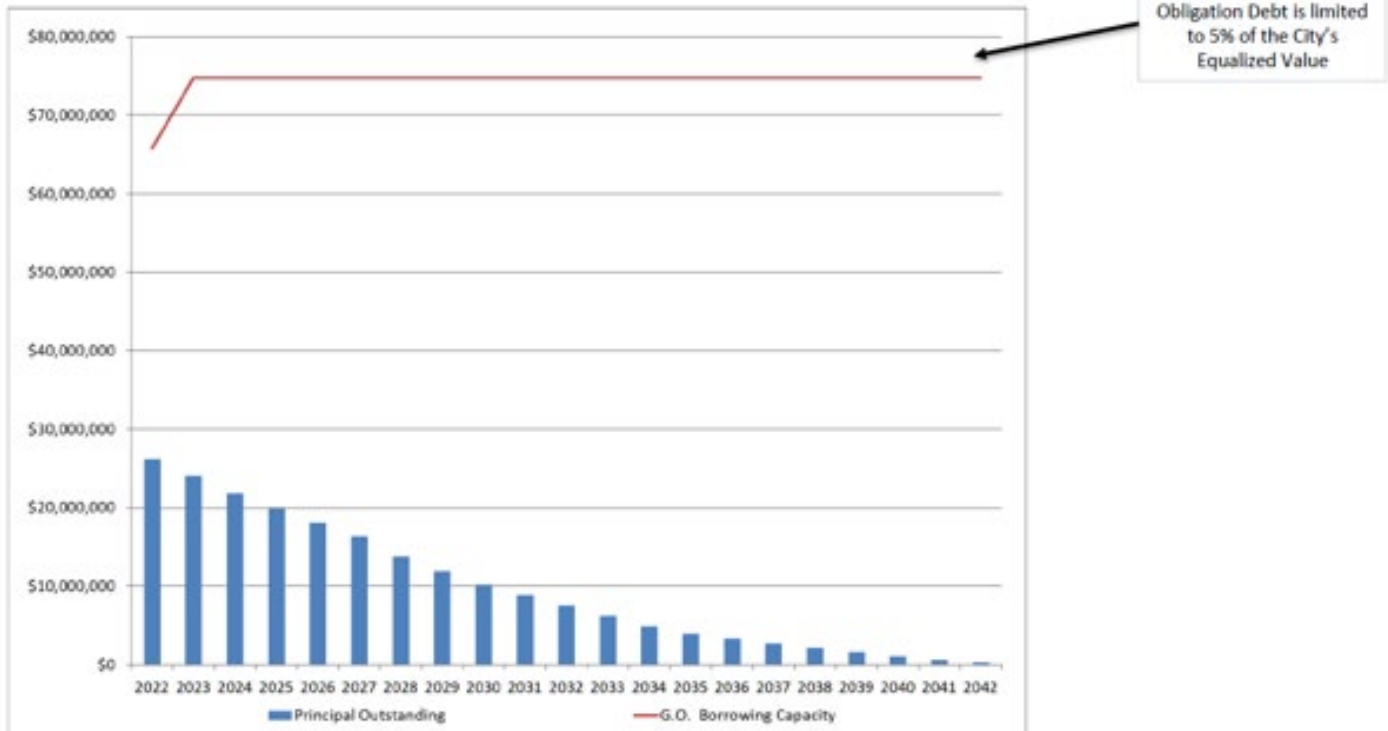
A preliminary term sheet was prepared by Ehlers to solicit quotes from local financial institutions. The preliminary term sheet contemplates the planned principal installments for the City's borrowing. A complete amortization schedule, including interest payments, will be prepared after quotes are received during the day on September 23 and available at the Council meeting. The tables below provide the planned principal installments as well as the City's General Obligation borrowing capacity, including all 2022 General Obligation borrowings.

Table 1. Planned Principal Installments

<u>Year</u>	<u>Amount</u>
2023	\$0
2024	0
2025	0
2026	0
2027	749,000

Table 2. General Obligation Borrowing Capacity

Impact on General Obligation Borrowing Capacity (With 2022 Debt Issues)



CONCLUSION

Sean Lentz will be available on behalf of Ehlers to present the quotes and make a recommendation to the Council.



RESOLUTION NO.

**RESOLUTION REGARDING \$749,000 TAXABLE GENERAL OBLIGATION PROMISSORY
NOTES FOR MANN VALLEY LAND ACQUISITION**

WHEREAS, the City completed the purchase of public land on May 5, 2022, from the Cernohous and Evans Trust in the amount of \$749,000; and

WHEREAS, the land will be included in the City's tax increment district for development of the Mann Valley Corporate Park; and

WHEREAS, in August 2022 the City Council authorized soliciting quotes from local banks to finance the land acquisition; and

WHEREAS, quotes were received and evaluated by Ehlers and Ehlers recommends placing the financing with _____; and

WHEREAS, the City Council accepts Ehlers' recommendation.

NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of River Falls that it hereby authorizes the Mayor and City staff to sign the necessary loan documents for the financing of the projects in the amount of \$749,000 from _____.

Dated this 27th day of September 2022.

Dan Toland, Mayor

ATTEST:

Amy White, City Clerk

RECOMMENDED PROCEDURES AND REQUIREMENTS FOR CITY BORROWING ON A NOTE MATURING WITHIN 10 YEARS

(Attached forms should be used for "City" borrowing)

Section 67.12(12) of the Wisconsin Statutes permits cities to borrow on a promissory note or notes, payable within a period not initially exceeding 10 years, for any public purpose (defined to mean the performance of any power or duty of the city), for any general and current municipal expense or to refinance any obligation of the city.

Such permitted borrowings are subject to the following terms and conditions which are covered by the attached WBA Forms 200A through 200I all of which must be suitably prepared, executed and delivered to the lender:

- (1) To evidence the indebtedness, the city issues to the lender its interest-bearing note payable over an agreed period not exceeding 10 years following the date of issuance of the note. A "balloon" installment is permitted, but it is recommended that some portion of the principal amount be paid each year. The city may refinance the note. See (7) below.
- (2) The note must be signed by the mayor and city clerk and be sealed with the corporate seal of the city, if one has been adopted. In the case of a city organized with a city manager form of government under Chapter 64 of the Wisconsin Statutes, the city manager would sign the note instead of the mayor.
- (3) The note is the general obligation of the city.
- (4) Before any such loan is made, the common council must adopt (by majority vote of the members-elect of the Common Council) and record a resolution:
 - (a) Specifying the purpose or purposes and the amount of the loan.
 - (b) Specifying the payments, maturity and rate of interest. **(1)**
 - (c) Levying a direct annual irrevocable tax sufficient to pay principal payments on the note, and interest as it becomes due and payable. The tax for each year after receipt of the borrowed money shall become and continue irrevocable and shall be carried into the tax rolls each year and shall be collected as other taxes are collected except that (i) if the note is paid prior to maturity, the still uncollected portions of the tax levied to provide repayment need not be carried into the tax roll; and (ii) the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account under Section 67.11 of the Wisconsin Statutes.
- (5) The note must include a statement specifying the provisions of the authorizing resolution, or a reference thereto, so that the resolution can be readily located.
- (6) The note may provide for prepayment on the terms and conditions prescribed therein.
- (7) The city may refinance the note with the same lender or a different lender. More than one refinancing is permitted, but no refunding note may have a term of more than 10 years or mature more than 20 years after the date of the original note. If refinancing is required, all documentation must be redone with all required municipal authority and a new note issued only upon return of the note being refinanced.
- (8) The debt limitation applicable to cities is 5% of the value of the taxable property located therein as equalized for state purposes. The Certificate of Full Equalized Value (WBA 200E) should be obtained and be presented as a part of the closing documents.
- (9) The city is required by Section 67.05(12) of the Wisconsin Statutes to keep a separate record book concerning obligations issued by the city. The city clerk should include in that book a full statement of the proceedings relating to the issuance of the note(s).
- (10) Since most borrowings which utilize these forms are expected to exceed one year in term, the Promissory Note provided (WBA 200D) is in fully-registered form. **NOTE:** The registration provisions contained in these forms impose on the city clerk the obligation to keep a record of the ownership of the note(s) and any subsequent transfers of the note(s). See Resolution (WBA 200B). These records must be kept in a separate record book maintained by the city clerk and also must be noted on the registration grid on the back of the note(s). See Promissory Note (WBA 200D).

CHECKLIST — 67.12(12) NOTES

1. Certificate — WBA Form 200A
2. Resolution — WBA Form 200B
3. Treasurer's Certificate — WBA Form 200C
4. Promissory Note — WBA Form 200D
5. Certificate of Full Equalized Value — WBA Form 200E
6. Arbitrage Certificate — WBA Form 200F
7. Investment Representation — WBA Form 200G
8. Federal Tax Compliance Certificate — WBA Form 200H
9. Federal Information Returns - WBA Form 200I

-
- (1) Due to the complexities involved in a variable rate loan to a Municipality, these forms contemplate only fixed rate financing. However, variable rate loans are permitted by Section 67.15 of the Wisconsin Statutes.

CAUTION: It is recommended that lenders seek legal assistance in lending to municipalities as such loans can become complex. It is also recommended that banks consult legal counsel regarding statutory or tax changes which may have occurred since the time these forms were prepared.

CERTIFICATE



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

STATE OF WISCONSIN

County of _____ } ss.

I, _____, do hereby certify to _____ (NAME OF LENDER) and any other owner or owners of the note(s) as follows:

1. That I am the duly qualified and acting Clerk of the City of _____ County, Wisconsin (hereinafter called the "City") and that I was such at all of the times mentioned in this certificate.

2. That the following are all of the members-elect of the governing body of the City, and were duly qualified and acting as such at all times mentioned in this certificate:

3. That the following named persons, whose authentic signatures are hereto subscribed, are the duly qualified and acting officers of the City presently holding the offices set forth opposite their respective name below:

NAME	OFFICE	MANUAL SIGNATURE
_____	Mayor (or City Manager)	_____
_____	City Clerk	_____
_____	City Treasurer	_____

4. That there is no controversy or litigation pending or threatened affecting the corporate existence of the City, its boundaries, the right or title to office of any of its officers, or in any manner affecting the due authorization or validity of the borrowings by the City.

5. That at a duly-convened meeting of the Common Council (or City Council) of the City, which is the governing body, held in open session at _____, Wisconsin, at _____ o'clock, _____ M., on the _____ day of _____, at which _____ of the members-elect were present in person, a resolution authorizing the City to borrow the sum of _____ Dollars (\$ _____) from _____, Wisconsin pursuant to Section 67.12(12), Wisconsin Statutes, was duly adopted by the affirmative vote of _____ of the members present at the meeting; that said resolution has been duly recorded in the minutes and proceedings of said meeting and is in full force and effect on the date of this certificate; and that a true and correct copy of said resolution is attached hereto, marked Exhibit A and made a part hereof.

6. That there is attached hereto, marked Exhibit B and made a part hereof, a certificate of the Treasurer of the City certifying that the aggregate indebtedness and obligations of all kinds of the City outstanding on the date affixed to said certificate, including the note issue in support of which this certificate is executed, total \$ _____ (1); that I know said officer and saw him/her execute said certificate; and that the matters stated therein are true and complete.

7. That the value of all of the taxable property in the City, as equalized for state purposes by the Wisconsin Department of Revenue, is \$ _____ (2)

IN WITNESS WHEREOF, I have executed this certificate in my official capacity to be effective this _____ day of _____ (3)

CITY CLERK

Approved as correct:

MAYOR (OR CITY MANAGER)

CITY TREASURER

(1) This aggregate indebtedness must not exceed the restrictions described in paragraph (8) of instruction sheet.

(2) See Certificate of Full Equalized Value (WBA 200E)

(3) This certificate should be dated on the date payment for the note is actually received.

EXHIBIT A
RESOLUTION

(Adopted at an Open Meeting held _____, _____)

WHEREAS the City of _____ County, Wisconsin ("City"), is presently in need of funds aggregating \$ _____ for public purpose(s) of: (1)

; and

WHEREAS, the Council deems it necessary and in the best interests of the City that, pursuant to the provisions of Section 67.12(12), Wisconsin Statutes, the sum of _____ Dollars (\$ _____) be borrowed for such purpose(s) upon the terms and conditions hereinafter set forth:

NOW, THEREFORE, BE IT RESOLVED, that for the purpose(s) hereinabove set forth the City, by its Mayor (or City Manager), and Clerk, pursuant to Section 67.12(12), Wisconsin Statutes, borrow from _____

("Lender"), the sum of \$ _____, and, to evidence such indebtedness, said Mayor (or City Manager) and City Clerk shall make, execute and deliver to the Lender for and on behalf of the City the promissory note of the City to be dated _____, in said principal amount with interest at the rate of _____ percent (_____%) per annum and payable as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on _____, PLUS interest payable as set forth below.
- (b) ☐ **Installments of Principal and Interest.** (2) In _____ equal payments of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on _____. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In _____ equal payments of principal of \$ _____ due on _____, and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on _____, PLUS interest payable as set forth below.
- (d) ☒ **Other.** _____

Interest is payable on _____, and on ☐ the same day of each _____ month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box (b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☒ a 360 day year ☐ a 365 day year. (2) of twelve thirty day months. Said interest to be payable on the dates set forth above on the outstanding principal balance, with ☐ no prepayment privileges ☒ prepayment privileges on any principal or interest payment date on or after _____.

A copy of the promissory note shall be attached to this resolution.

(1) Here describe each purpose in detail. If the purpose is meeting general and current municipal expenses or refinancing obligation of the City, so specify.

(2) Section 67.12(12), Wisconsin Statutes, does not place any restrictions on the basis of interest rate calculations.

BE IT FURTHER RESOLVED, that there be, and there hereby is, levied on all the taxable property of the City, a direct annual irrepealable tax sufficient in amount to pay the principal and interest on said note as the same becomes due and payable, said tax to be in the following minimum amounts:(4) (6)

Amount of Tax (principal and interest)	To Meet Note Payments Due On	Year of Levy (must be in year(s) prior to due date)
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____
\$ _____	_____	For the year _____

If at any time there shall be on hand insufficient funds from the aforesaid tax levy to meet principal and/or interest payments on said note when due, the requisite amount shall be paid from other funds of the City then available, which sums shall be replaced upon the collection of the taxes herein levied.

In the event that the City exercises its prepayment privilege, if any, then no such direct annual tax shall be included on the tax rolls for the prepayments made and the amount of direct annual tax hereinabove levied shall be reduced accordingly for the year or years with respect to which said note was prepaid.

In each of said levy years, the direct annual tax so levied shall be carried into the tax rolls each year and shall be collected in the same manner and at the same time as other taxes of the City for such years are collected; provided, that the amount of tax carried into the tax roll may be reduced in any year by the amount of any surplus in the debt service account for the note. So long as any part of the principal of, or interest on, said note remains unpaid, the proceeds of said tax shall be segregated in a special fund used solely for the payment of the principal of, and interest on, said note.

BE IT FURTHER RESOLVED, that there be and there hereby is established in the treasury of the City, if one has not already been established, a debt service fund, separate and distinct from every other fund, which shall be maintained in accordance with generally accepted accounting principles. Sinking funds established for obligations previously issued by the City may be considered as separate and distinct accounts within the debt service fund. Within the debt service fund, there be and there hereby is established a separate and distinct account designated as the "Debt Service Account for Promissory

Note dated _____," which account shall be used solely for the purpose of paying principal of and interest on said note. There shall be deposited in said account any accrued interest paid on said note at the time it is delivered to the Lender, all money raised by taxation or appropriated pursuant hereto, and such other sums as may be necessary to pay principal and interest on said note when the same shall become due.

BE IT FURTHER RESOLVED, that the proceeds of said note shall be used solely for the purposes for which it is issued, but may be temporarily invested until needed in legal investments, provided that no such investment shall be in such a manner as would cause said note to be an "arbitrage bond" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or the Regulations of the Commissioner of Internal Revenue thereunder; and an officer of the City, charged with the responsibility for issuing the note, shall certify by use of an arbitrage certificate, if required, that, on the basis of the facts, estimates and circumstances in existence on the date of the delivery of the note, it is not expected that the proceeds will be used in a manner that would cause said note to be an "arbitrage bond."

BE IT FURTHER RESOLVED, that the projects financed by the note and their ownership, management and use will not cause the note to be a "private activity bond" within the meaning of Section 141 of the Internal Revenue Code of 1986, as amended, and that the City shall comply with the provisions of the Code to the extent necessary to maintain the tax-exempt status of the interest on the note.

BE IT FURTHER RESOLVED, that the City Clerk shall keep records for the registration and for the transfer of the note. The person in whose name the note shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes and payment of either principal or interest on the note shall be made only to the registered owner thereof. All such payments shall be valid and effectual to satisfy and discharge the liability upon such note to the extent of the sum or sums so paid. The note may be transferred by the registered owner thereof by presentation of the note at the office of the City Clerk, duly endorsed for the transfer or accompanied by an assignment duly executed by the registered owner or his legal representative duly authorized in writing. Upon such presentation, the note shall be transferred by appropriate entry in the registration records and a similar notation, including date of registration, name of new registered owner and signature of the City Clerk, shall be made on such note.

BE IT FURTHER RESOLVED, that the note is hereby designated as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income, for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.(5)

BE IT FURTHER RESOLVED, that the City officials are hereby authorized and directed, so long as said note is outstanding, to deliver to the Lender any audit statement or other financial information the Lender may reasonably request and to discuss its affairs and finances with the Lender.

BE IT FURTHER RESOLVED, that said note shall be delivered to the Lender on or after the date of said note, upon receipt of the total principal amount of the loan evidenced thereby, plus accrued interest, if any, to date of delivery, provided that, if this is a refinancing, the refunding note shall be immediately exchanged for the note being refinanced.

(4) First tax levy should be for the current year unless tax roll has already been delivered for collection, and amount of levy should be sufficient to meet all principal and interest payments coming due prior to date for collection of next succeeding tax levy.

(5) Delete this paragraph if the City will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, banks will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.

EXHIBIT B — CERTIFICATE RESPECTING
INDEBTEDNESS AND RECEIPT OF LOAN PROCEEDS

STATE OF WISCONSIN

County of _____

} ss.

The undersigned Treasurer of the City of _____ County, Wisconsin, hereby certifies that the total aggregate indebtedness and obligations of said City, howsoever incurred, outstanding on the date hereof, including the Promissory Note dated _____, in support of which this certificate is executed, is \$ _____, determined as follows: (1)

The undersigned further certifies that the lender of the borrowed funds evidenced by said note has paid the entire principal amount of said note, plus accrued interest (if any), in accordance with the terms of the resolution authorizing said note.

IN WITNESS WHEREOF, I have executed this Certificate in my official capacity this _____ day of _____, (2)

CITY TREASURER

(1) Here set forth in detail each item of outstanding indebtedness of the City, including this note issue.

(2) This certificate should be dated on the date payment for the note is actually received and should be received by the lender simultaneously with its disbursement of funds.

PROMISSORY NOTE



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

No. _____ City of _____ NAME _____ \$ _____

Dated _____

1. Promise to Pay and Payment Schedule. For value received, the City of _____ County, Wisconsin ("City"), promises to pay to _____, or registered assigns, ("Lender") the sum of _____ Dollars (\$ _____), payable with interest at the rate of _____ percent (_____%) per annum as follows:

[Check (a), (b), (c) or (d); only one shall apply.]

- (a) ☐ **Single Payment.** In one payment on _____, PLUS interest payable as set forth below.
- (b) ☐ **Installments of Principal and Interest.** In _____ equal payments of \$ _____ due on _____ and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid balance and accrued interest due on _____. All payments include principal and interest.
- (c) ☐ **Installments of Principal.** In _____ equal payments of principal of \$ _____ due on _____ and on ☐ the same day(s) of each _____ month thereafter ☐ every 7th day thereafter ☐ every 14th day thereafter, PLUS a final payment of the unpaid principal due on _____, PLUS interest payable as set forth below.
- (d) ☒ **Other.** _____

Principal and interest on this note shall be payable only to the Lender in lawful money of the United States of America at the office of the Lender. The final installment of principal on this note shall be payable only upon presentation and surrender of this note to the City Treasurer.

2. Interest Payment. Interest is payable on _____, and on ☐ the same day of each _____ month thereafter, ☐ every 7th day thereafter, ☐ every 14th day thereafter, and at maturity, or, if box 1(b) is checked, at the times so indicated. Interest is computed for the actual number of days principal is unpaid on the basis of ☒ a 360 day year ☐ a 365 day year.

3. Prepayment. Full or partial prepayment of this note ☐ is not permitted ☒ is permitted on any principal or interest payment date without penalty on or after _____. All prepayments shall be applied first upon the unpaid interest and then applied upon the unpaid principal in inverse order of maturity.

4. Other Charges. If any payment (other than the final payment) is not made on or before the _____ day after its due date, Lender may collect a delinquency charge of _____% of the unpaid amount. Unpaid principal and interest bear interest after maturity until paid (whether by acceleration or lapse of time) at the rate ☐ which would otherwise be applicable plus _____ percentage points ☐ of _____% per year, computed on the basis of ☐ a 360 day year ☐ a 365 day year. City agrees to pay a charge of \$ _____ for each check presented for payment under this note which is returned unsatisfied.

5. Security. For the prompt payment of this note with interest and the levying and collection of taxes sufficient for that purpose, the full faith, credit and resources of the City are hereby irrevocably pledged.

6. Transferability. This note is transferable only upon the records of the City kept for that purpose at the office of the City Clerk, by the Lender in person or its legal representative duly authorized in writing, upon presentation of a written instrument of transfer satisfactory to the City Clerk and upon such transfer being similarly noted hereon. The City may deem and treat the person in whose name this note is registered as the absolute owner hereof for the purpose of receiving payment of or on account of the principal or interest hereof and for all other purposes.

7. Terms and Purposes; Authorization. This note issued under the terms of and for purposes specified in Section 67.12(12), Wisconsin Statutes; and is authorized by a resolution of the Common Council duly adopted by the Council at its open meeting duly convened on _____ which resolution is recorded in the official book of its minutes pertaining to said date.

8. Internal Revenue Code. This note has been designated by the City as a "qualified tax-exempt obligation" for purposes of Section 265 of the Internal Revenue Code of 1986, as amended. (1)

9. Certifications and Recitations of City. It is hereby certified and recited that all conditions, things and acts required by law to exist, to be or to be done prior to and in connection with the issuance of this note have been done, have existed and have been performed in due form and time; that the aggregate indebtedness of the City, including this note, does not exceed any limitation imposed by law, and that the City has levied a direct annual irrepealable tax sufficient to pay this note together with interest thereon when and as payable.

THIS NOTE CONTAINS ADDITIONAL PROVISIONS ON REVERSE SIDE

City of _____

(Impress official or corporate seal, if any)

_____, County, Wisconsin.

By _____ MAYOR (OR CITY MANAGER)

By _____ CITY CLERK

(1) Delete this paragraph if the City will be issuing more than \$10,000,000 of tax-exempt obligations in the calendar year. In that case, lenders will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the note.

NOTE: Official or corporate seal, if any, to be affixed.

(SEE REVERSE FOR REGISTRATION PROVISIONS)

10. Default and Enforcement. Upon the occurrence of any one or more of the following events of default: (a) City fails to pay any amount when due under this note or under any other instrument evidencing any indebtedness of City to Lender, (b) any representation or warranty made under this note or information provided by City to Lender in connection with this note is or was false or fraudulent in any material respect, (c) a material adverse change occurs in City's financial condition, (d) City fails to timely observe or perform any of the covenants or duties in this note, (e) an event of default occurs under any agreement securing this note, or (f) Lender deems itself insecure, then the unpaid balance shall, at the option of Lender, without notice, mature and become immediately payable. The unpaid balance shall automatically mature and become immediately payable in the event City becomes the subject of bankruptcy or other insolvency proceedings. Lender's receipt of any payment on this note after the occurrence of an event of default shall not constitute a waiver of the default of the Lender's rights and remedies upon such default.

11. Venue. To the extent not prohibited by law, City consents that venue for any legal proceeding relating to collection of this note shall be, at Lender's option, the county in which Lender has its principal office in this state, the county in which City is located or the county in which this note was executed by City.

12. Obligations and Agreements of City. City agrees to pay all costs of collection before and after judgment, including reasonable attorneys' fees (including those incurred in successful defense or settlement of any counterclaim brought by City or incident to any action or proceeding involving City brought pursuant to the United States Bankruptcy Code) and waive presentment, protest, demand and notice of dishonor. Subject to Section 893.80, Wisconsin Statutes, City agrees to indemnify and hold harmless Lender, its directors, officers and agents, from and under this note or the activities of City. This indemnity shall survive payment of this note. City acknowledges that Lender has not made any representation or warranties with respect to, and the Lender does not assume any responsibility to City for, the collectability or enforceability of this note or the financial condition of City. City has independently determined the collectability and enforceability of this note. City authorizes Lender to disclose financial and other information about City to others.

13. No Waiver; Rights and Remedies of Lender. No failure on the part of Lender to exercise, and no delay in exercising, any right, power or remedy under this note shall operate as a waiver of such right, power or remedy; nor shall any single or partial exercise of any right under this note preclude any other or further exercise of the right or the exercise of any other right. The remedies provided in this note are cumulative and not exclusive of any remedies provided by law. Without affecting the liability of City, Lender may, without notice, accept partial payments, release or impair any collateral security for the payment of this note or agree not to sue any party liable on it. Without affecting the liability of City, Lender may from time to time, without notice, renew or extend the time for payment subject to the time limits prescribed in Section 67.12(12), Wisconsin Statutes.

14. Interpretation. This note is intended by City and Lender as a final expression of this note and as a complete and exclusive statement of its terms, there being no conditions to the enforceability of this note. This note may not be supplemented or modified except in writing. This note benefits Lender, its successors and assigns, and binds City and its successors and assigns. The validity, construction and enforcement of this note are governed by the internal laws of Wisconsin. Invalidity or unenforceability of any provision of this note shall not affect the validity or enforceability of any other provisions of this note.

REGISTRATION PROVISIONS

This note shall be registered in registration records kept by the City Clerk of the City of _____ Wisconsin, such registration to be noted in the registration blank below and upon said registration records, and this note may thereafter be transferred only upon presentation of a written instrument of transfer satisfactory to the City Clerk duly executed by the Lender or its attorney, such transfer to be made on such records and endorsed hereon.

REGISTRATION

Date of Registration	Name of Lender	Signature of City Clerk
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

CERTIFICATE OF FULL EQUALIZED VALUE (1)

I hereby certify that I am Chief of the Local Government Services Section of the Wisconsin Department of Revenue and in such capacity I am authorized to certify the equalized value of the taxable property in cities in Wisconsin.

I further certify that the equalized value of all the taxable property of the City of _____
_____ County, Wisconsin, as last determined by the Wisconsin Department of Revenue pursuant to Section 67.03, Wisconsin Statutes, is
\$ _____, said determination being as of _____.

Dated this _____ day of _____.

Chief, Local Government Services Section,
WISCONSIN DEPARTMENT OF REVENUE

ARBITRAGE CERTIFICATE (1)



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

City of _____, Wisconsin ("the "Municipality") \$ _____ Promissory Note

Dated _____ (the "Obligation")

The undersigned financial officer of the Municipality certifies that no notice of the Commissioner of Internal Revenue has been published to the effect that the Arbitrage Certificates of the Municipality may not be relied upon nor has the Municipality been advised that such a listing is contemplated, and further certifies and reasonably expects that:

1. In the case of a construction or acquisition financing:

- (a) The Municipality has or will enter into contracts within 6 months from the date hereof for the project (the "Project") to be financed by the Obligation, which contracts will cause it to be obligated to pay amounts equal to at least 5% of the total cost of the Project. Such contracts are not subject to contingencies within the Municipality's or a related party's control.
- (b) Work on the Project will proceed with due diligence to completion and the allocation of the proceeds of the Obligation to expenditures on the Project will proceed with due diligence.
- (c) 100% of the proceeds of the Obligation will be expended for Project costs within 3 years from the date hereof.
- (d) The Project will not be sold or otherwise disposed of in whole or in part, prior to the last maturity of the Obligation.
- (e) The Municipality has general taxing powers, all of the net proceeds of the Obligation are to be used for local government activities of the Municipality and the aggregate face amount of all tax-exempt obligations issued by the Municipality and all subordinate entities(2) of the Municipality in the current calendar year will not exceed \$5,000,000(3). Therefore, the rebate requirements of federal arbitrage law are not applicable to the Municipality and the Obligation.(4)
- (f) None of the proceeds of the Obligation are being invested in investments having a substantially guaranteed yield for a period of four years or more.

2. In the case of a refunding:

- (a) The obligations being refunded will be discharged within 30 days of the date hereof;
- (b) There are no remaining original or investment proceeds of the obligations being refunded, so that there are no "transferred proceeds" with respect to the Obligation.
- (c) All of the proceeds of the Obligation will be expended within six months of the date hereof.(4)
- (d) The Municipality expected on the date the obligations being refunded were issued that at least 85% of the spendable proceeds of the refunded obligations would be used to carry out the governmental purposes of those obligations within a three-year period beginning on such date, and not more than 50% of the proceeds of the refunded obligations were invested in investments having a substantially guaranteed yield for four years or more.

3. The principal amount of the Obligation, together with investment earnings thereon, will not exceed the amount necessary for the Project or refunding.

4. The only sinking fund with respect to the Obligation is the Debt Service Account created by the resolution authorizing the Obligation. The Municipality does not expect to create or establish any other sinking fund with respect to the Obligation.

5. The Obligation will be repaid through debt service payments made from the Debt Service Account. At least once a year, the amounts in the Debt Service Account will be depleted to an amount not in excess of the greater of the earnings on the Debt Service Account for the immediately preceding bond year or 1/12th of the debt service on the Obligation for the immediately preceding bond year. All amounts used to pay debt service during a year will be expended within thirteen months of receipt, and any amount received from investment of money in the Debt Service Account will be expended within one year from the date of the receipt.

To the best of my knowledge and belief, there are no other facts, estimates or circumstances that would materially change the foregoing expectations.

IN WITNESS WHEREOF, I have executed this certificate on _____.*

TREASURER

On the basis of the foregoing, in my opinion, the Obligation is not an arbitrage bond as defined in Section 148, Internal Revenue Code of 1986, as amended, and applicable income tax regulations, including Regulations Sections 1.148-1 through 1.148-11.

ATTORNEY FOR CITY

(SEE REVERSE SIDE FOR INSTRUCTIONS ON THE USE OF THIS ARBITRAGE CERTIFICATE)

- (1) Only required if face amount exceeds \$1,000,000.
- (2) Subordinate entities include entities deriving their issuing authority from the Municipality or subject to substantial control by the Municipality (e.g. a municipal water or sewerage commission or housing authority).
- (3) Private activity bonds (such as "industrial development bonds") do not count toward the \$5,000,000 limitation.
- (4) If this certification cannot be made, lenders and municipalities should obtain legal assistance before proceeding with the loan, because failure to comply with the rebate requirement could result in loss of tax exemption for the Obligation.

* This certificate should be dated on the date the proceeds of the Obligation are actually received.

INSTRUCTIONS FOR ARBITRAGE CERTIFICATE (WBA 200F)

The arbitration regulations (Regs. Secs. 1.148-1 through 1.148-11), which are designed to prevent municipalities from borrowing money to make investments, are extremely complex. This form is intended to cover almost all cases, but it is not the only set of facts complying with the regulations. If the Municipality cannot make the certifications required, consult your attorney.

1. In the case of a construction or acquisition financing:
 - (a) The Project must be underway or at least ready to go in the near future. Accordingly, the Municipality must have substantial contracts (representing at least 5% of the Project costs) either in existence or to be finalized within 6 months of the date of the Arbitrage Certificate. Note that it is required only that contracts calling for such payments be entered into; it is not required that payments actually be made within 6 months. The contracts cannot be subject to contingencies within the Municipality's or a related party's control.
 - (b) Construction of the Project and the expenditure of the borrowed funds to pay Project costs should proceed without unnecessary delay.
 - (c) All of the borrowed money must be expended for the Project costs within 3 years of the date of the loan.
 - (d) The Municipality may not sell the Project prior to the maturity of the loan.
 2. In the case of a refunding:
 - (a) The obligations being refunded must be discharged within a certain period defined by the regulations. The period available in all cases is 30 days. If the refunded obligations will not be retired by the end of 30 days, consult your attorney.
 - (b) Special consideration is required if any proceeds of the obligations being refunded, or monies earned from investment of them, remain unexpended. If such unexpended funds do exist, consult your attorney.
 3. In all cases, the amount of the loan plus the amount to be earned investing the proceeds of the loan cannot be greater than the cost of the Project or the amount needed for the refunding, plus the necessary expenses of obtaining the loan (such as counsel fees, printing expenses, etc.).
- "Project" as used herein is a broad term and would include all of the purposes for which notes are permitted to be issued. The determinations herein are the reasonable expectations of the City at the time the note is issued.

FACTS AND ESTIMATES IN SUPPORT OF ARBITRAGE CERTIFICATE (WBA 200F)

\$ _____ Promissory Note Dated _____

1. Use of Funds

Total Project costs (1) are estimated to be at least	\$ _____
Total issue expenses, if payable by Municipality, and not included in Project costs, are estimated to be	\$ _____
TOTAL	\$ _____

2. Source of Funds

Note proceeds	\$ _____
Investment earnings	\$ _____
Other sources (if any), itemize:	
_____	\$ _____
_____	\$ _____
TOTAL	\$ _____

3. Construction Schedule

	Date
(a) hire architect/engineer	_____
(b) bid Project	_____
(c) commence construction	_____
(d) complete construction	_____

4. Equipment (land) Purchase

(a) contract of purchase	_____
(b) delivery of equipment (land)	_____
(c) final payment on contract of purchase	_____

INVESTMENT REPRESENTATION *
(To be prepared and executed by a bank officer
for retention in bank files)



Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

The undersigned officer of _____, (1) Wisconsin hereby certifies with respect to the purchase of a \$_____ Promissory Note dated _____ issued by the City of _____, Wisconsin, that is is purchasing said note for investment purposes and will not resell said note, except to another bank or banks which will also make this certification.

Dated: _____ (2)

_____, (1)

By: _____

Title: _____

- (1) Name of bank.
(2) Date that loan is closed.

*Section 551.21 of the Wisconsin Statutes, and the regulations thereunder, require that municipal obligations be registered with the Wisconsin Department of Financial Institutions unless there is a basis for an exemption from such registration. In most transactions in which these WBA forms are employed, it is expected that an exemption will apply as the result of the sale of the note(s) to a bank which will resell the note(s), if at all, only to another bank or banks. To document the applicability of this exemption, the bank should sign the investment representation set forth above.

NOTE: If this representation cannot be made, other bases of exemption may be available. However, legal assistance should be obtained before proceeding with the loan in such a case.

200H (8/06)

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FEDERAL TAX COMPLIANCE CERTIFICATE

 City of _____, Wisconsin
 (the "Municipality")

\$ _____ Promissory Note

Dated _____ (the "Obligations")

The Municipality represents and covenants as follows:

1. None of the proceeds of the Obligations will be used, either directly or indirectly, (a) to make or finance loans to persons other than state and local governments or (b) in any trade or business carried on by any person other than a governmental unit. No payment of the principal or interest on the Obligations will be made (directly or indirectly, to the Municipality or any other party) from trade or business use of the proceeds or will be otherwise secured by or derived from property used in a trade or business or payments in respect of such property. No part of the projects financed by the Obligations (the "Projects") is or will be owned by persons other than the Municipality. There are and will be no leases, management or incentive payment contracts, take-or-pay or other output contracts or similar arrangements between the Municipality and any nongovernmental person with respect to the Projects. (1)

2. The Municipality has designated the Obligations as "qualified tax-exempt obligations" for purposes of Section 265 of the Internal Revenue Code of 1986, relating to the ability of financial institutions to deduct, for federal income tax purposes, interest expense allocable to carrying or acquiring municipal obligations. The aggregate principal amount of tax-exempt governmental obligations issued by the Municipality and all subordinate entities in the current calendar year (including obligations issued on behalf of 501(c)(3) corporations) will not exceed \$10,000,000. (2) (3) (4)

3. The payment of principal or interest with respect to the Obligations will not be guaranteed, either directly or indirectly, in whole or in part, by the United States or any agency or instrumentality thereof. None of the proceeds of the Obligations will be (i) used in making loans the payment of principal or interest with respect to which are to be guaranteed, in whole or in part, by the United States or any agency or instrumentality thereof, or (ii) invested directly or indirectly in federally insured deposits or accounts, except for proceeds invested during permitted temporary periods or in the debt service fund for the Obligations or as otherwise permitted under Section 149(b)(3) of the Internal Revenue Code of 1986, as amended.

4. Any expenditures already paid by the Municipality for which the Municipality is to be reimbursed with proceeds of the Obligations (a) were paid no more than 60 days before the date on which the Municipality adopted the resolution authorizing the issuance of Obligations to finance the projects or stating its intention to reimburse itself from the proceeds of the Obligations for any expenditures relating to the Projects which it paid from other funds of the Municipality prior to receipt of the proceeds of the Obligations ("Original Expenditure"); or (b) are preliminary expenditures relating to the Projects (such as architectural, engineering, surveying, soil testing and similar costs but not including land acquisition, site preparation and similar costs incident to the commencement of construction) which are in an amount which is less than 20% of the issue price of the portion of the Obligations which relates to those Projects; or (c) are in an amount that does not exceed the lesser of \$100,000 or five percent of the face value of the issue. If (a) is true, a written allocation that evidences the Municipality's use of the proceeds to reimburse an Original Expenditure has been or will be made not later than 18 months (5) after the date of the Original Expenditure is paid, or the date the project is placed in service or abandoned, whichever is later. (6)

IN WITNESS WHEREOF, we have executed this certificate in our official capacities to be effective this _____ day of

(7)

Mayor (or City Manager)_____
City Clerk_____
Treasurer

(1) The purpose of this certification is to demonstrate that the Obligations are not "private activity bonds." If they are, they are subject to additional requirements and restrictions, if they can be issued on a tax-exempt basis at all. Lenders are advised to obtain legal assistance before proceeding with a loan in such a case. Common examples of arrangements which can result in private activity bond status are the sale or lease of property to private parties, reserved capacity arrangements or other special arrangements regarding sewage treatment facilities, leases or management contracts with respect to hospitals, airports or similar enterprises, or development agreements in tax increment projects.

(2) Subordinate entities include entities deriving their issuing authority from the Municipality or subject to substantial control by the Municipality. (e.g., a municipal water or sewerage commission or housing authority).

(3) Private activity bonds (such as "industrial development bonds") do not count toward the \$10,000,000 limitation; however, obligations issued on behalf of 501(c)(3) corporations (commonly hospitals or nursing homes) do count toward the \$10,000,000 limit.

(4) If this certification cannot be made, lenders will not be entitled to deduct, for federal income tax purposes, interest expense that is allocable to carrying or acquiring the Obligations.

(5) This time limitation is extended to 3 years if the aggregate face amount of all tax-exempt bonds or notes issued by the Municipality during the calendar year in which the Obligations are incurred is reasonably expected not to exceed \$5,000,000.

(6) The purpose of this certification is to demonstrate that the Municipality has complied with the federal reimbursement regulations under Section 1.150-2 of the Internal Revenue Code Regulations, as amended. These regulations limit the ability of a municipality to use the proceeds of a tax-exempt borrowing to reimburse itself for expenditures previously made on a project. Generally, these rules apply to construction or acquisition financing; special reimbursement rules apply for refundings. If the Municipality cannot make the certifications contained in this paragraph, consult your attorney.

(7) This certificate should be dated the date that payment for the Obligations is actually received.

INSTRUCTIONS FOR AND EXPLANATION OF
FEDERAL RETURNS

2001 (8/06)

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Prepared and intended for use by commercial banks in transactions governed by Wisconsin Law.

The Internal Revenue Code of 1986, as amended, requires that an information report concerning each issue of municipal obligations be filed with the Secretary of the Treasury, as a condition to federal tax exemption. Please note that, although the term "bonds" is used on Forms 8038-G and 8038-GC, an information return is required for all lending transactions covered in the WBA Municipal Transactions Satellite Manual. Under the Internal Revenue Code of 1986, as amended, a "bond" is any obligation of a political subdivision. The form to be filed differs, depending on whether the issue price is under \$100,000 or is \$100,000 or more.

1. For issues of \$100,000 or more, IRS Form 8038-G must be filed.
2. For issues under \$100,000, IRS Form 8038-GC must be filed.

Some points to note:

- (a) A separate Information Return should be filed for each issue.
- (b) The deadline for filing is the 15th day of the second calendar month after the close of the calendar quarter in which the issue is issued. For example, if borrowing is done in January, February or March, the Information Return must be filed no later than the following May 15.
- (c) Alternatively, for issues under \$100,000, a consolidated Form 8038-GC could be filed at the end of the calendar year. However, it is recommended that in all cases the appropriate form 8038-G or 8038-GC be filed promptly upon the closing of the loan.
- (d) The form should be executed by an officer of the Municipality.
- (e) The form should be mailed to the Internal Revenue Service Center, Philadelphia, Pennsylvania 19255.

Although Forms 8038-G and 8038-GC are to be filed by the Municipality, the bank should see to it that the filing is made, since the filing is a condition to exemption from federal income taxation for interest paid on the notes issued by the Municipality.

CAUTION: Please note that the Federal Information Return Forms (8038-G and 8038-GC) are periodically revised and updated by the IRS. Please check the revision date of the form you plan to use and confirm with the IRS that it is current.

MEMORANDUM

TO: City Council
FROM: Dan Toland, Mayor
DATE: September 27, 2022
TITLE: Mayor's Appointment to Boards and Commissions

RECOMMENDED ACTION

Consideration of appointment:

BID BOARD

New appointment of Amy Freeman through December 2025