

# **City of River Falls**

Financial Statements and  
Supplementary Information

December 31, 2021

# 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 our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **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.

## **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.

## Supplementary Information

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

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

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
July 20, 2022

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

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

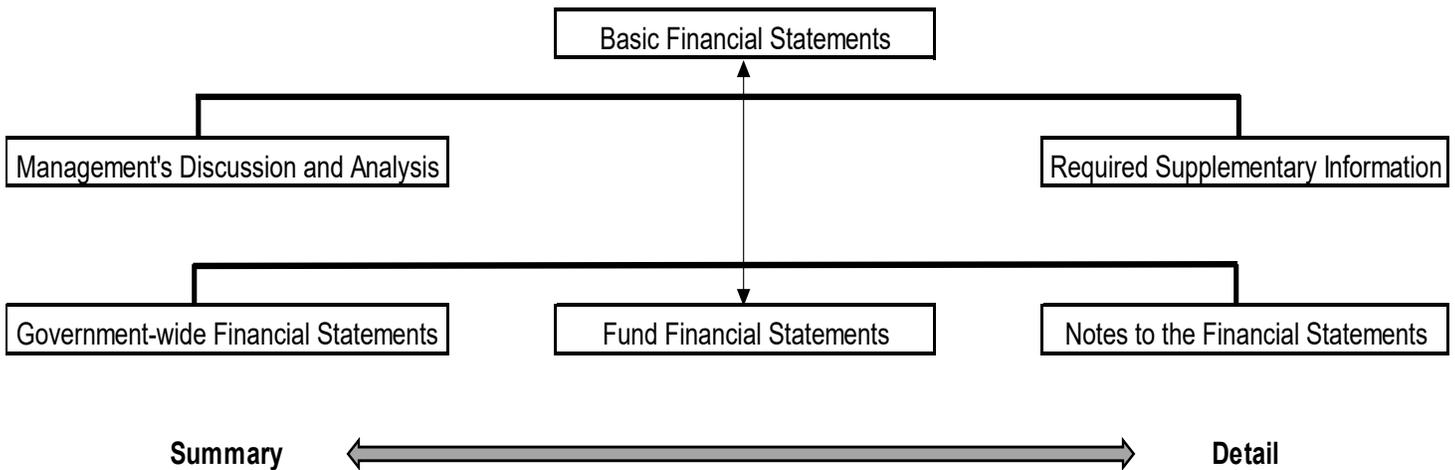
**FINANCIAL HIGHLIGHTS**

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

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

**Figure A-1  
Components of the Financial Section**



The basic financial statements include two kinds of statements.

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

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

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

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

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

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

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

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

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

The City is reporting three major governmental funds for 2021: General fund, Tax Increment District #10, and General Capital Projects fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for these major funds. Data from all other non-major governmental funds is combined into a single aggregated presentation and are referenced under a single column as “Non-major Governmental Funds”. Individual fund data on each of these non-major governmental funds is provided in the form of *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	2021	2020
Current and Other Assets	\$ 31,122,379	\$ 29,270,157	\$ 14,318,568	\$ 13,500,732	\$ 45,440,947	\$ 42,770,889
Capital Assets	<u>66,238,300</u>	<u>66,189,039</u>	<u>64,363,235</u>	<u>64,820,329</u>	<u>130,601,535</u>	<u>131,009,368</u>
Total Assets	<u>97,360,679</u>	<u>95,459,196</u>	<u>78,681,803</u>	<u>78,321,061</u>	<u>176,042,482</u>	<u>173,780,257</u>
Deferred Charge on refunding	218,263	248,368	29,541	53,704	247,804	302,072
Deferred Pension and OPEB	<u>4,768,103</u>	<u>3,566,728</u>	<u>1,538,925</u>	<u>1,099,060</u>	<u>6,307,028</u>	<u>4,665,788</u>
Deferred Outflows of Resources	<u>4,986,366</u>	<u>3,815,096</u>	<u>1,568,466</u>	<u>1,152,764</u>	<u>6,554,832</u>	<u>4,967,860</u>
Current Liabilities	5,129,105	7,626,883	2,861,075	2,585,548	7,990,180	10,212,431
Noncurrent Liabilities	<u>20,676,576</u>	<u>20,547,853</u>	<u>7,978,063</u>	<u>9,121,786</u>	<u>28,654,639</u>	<u>29,669,639</u>
Total Liabilities	<u>25,805,681</u>	<u>28,174,736</u>	<u>10,839,138</u>	<u>11,707,334</u>	<u>36,644,819</u>	<u>39,882,070</u>
Deferred Unearned revenues	8,835,737	8,630,328	-	-	8,835,737	8,630,328
Deferred Pension and OPEB	<u>6,196,834</u>	<u>4,325,889</u>	<u>2,086,091</u>	<u>1,443,178</u>	<u>8,282,925</u>	<u>5,769,067</u>
Deferred Inflows of Resources	<u>15,032,571</u>	<u>12,956,217</u>	<u>2,086,091</u>	<u>1,443,178</u>	<u>17,118,662</u>	<u>14,399,395</u>
Net Investment in Capital Assets <sup>1</sup>	<u>48,798,825</u>	<u>47,065,279</u>	<u>56,177,716</u>	<u>55,534,030</u>	<u>103,397,056</u>	<u>100,888,585</u>
Restricted	<u>8,356,053</u>	<u>6,437,455</u>	<u>3,199,578</u>	<u>2,655,981</u>	<u>11,555,631</u>	<u>9,093,436</u>
Unrestricted <sup>1</sup>	<u>4,353,915</u>	<u>4,640,605</u>	<u>7,947,746</u>	<u>8,133,302</u>	<u>13,783,026</u>	<u>14,484,631</u>
Total Net Position	<u>\$ 61,508,793</u>	<u>\$ 58,143,339</u>	<u>\$ 67,325,040</u>	<u>\$ 66,323,313</u>	<u>\$ 128,735,713</u>	<u>\$ 124,466,652</u>
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	11%	11%	61%	62%	26%	27%

<sup>1</sup> See Note I.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	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$1,970,713	\$1,874,920	\$21,456,858	\$20,260,233	\$23,427,571	\$22,135,153
Operating grants and contributions	2,120,182	2,198,019		28,737	2,120,182	2,226,756
Capital grants and contributions	239,340	2,514,780	742,309	1,688,135	981,649	4,202,915
General revenues:						
Property taxes	8,602,918	8,249,537			8,602,918	8,249,537
Other taxes	235,189	166,055			235,189	166,055
Intergovernmental	2,382,232	2,752,737			2,382,232	2,752,737
Investment earnings	77,772	428,482	30,068	95,326	107,840	523,808
Special Item				86,498		86,498
Miscellaneous	<u>460,137</u>	<u>487,077</u>	<u>43,441</u>	<u>45,312</u>	<u>503,578</u>	<u>532,389</u>
<b>Total revenues</b>	<b>16,088,483</b>	<b>18,671,607</b>	<b>22,272,676</b>	<b>22,204,241</b>	<b>38,361,159</b>	<b>40,875,848</b>
<b>Expenses</b>						
General government	2,473,975	2,322,490			2,473,975	2,322,490
Public safety	3,812,876	3,993,801			3,812,876	3,993,801
Public works	3,878,945	3,710,674			3,878,945	3,710,674
Health services	19,886	17,844			19,886	17,844
Leisure	2,235,832	2,145,064			2,235,832	2,145,064
Conservation and development	1,321,400	1,256,341			1,321,400	1,256,341
Interest and fiscal charges	636,950	912,650			636,950	912,650
Electric utility			14,025,540	13,128,265	14,025,540	13,128,265
Water utility			1,493,204	1,392,023	1,493,204	1,392,023
Sewer utility			2,746,450	2,912,943	2,746,450	2,912,943
Storm water utility			783,717	512,949	783,717	512,949
Ambulance service			<u>565,203</u>	<u>1,534,432</u>	<u>565,203</u>	<u>1,534,432</u>
<b>Total expenses</b>	<b>14,379,864</b>	<b>14,358,864</b>	<b>19,614,114</b>	<b>19,480,612</b>	<b>33,993,978</b>	<b>33,839,476</b>
Change in net position before transfers	1,708,619	4,312,743	2,658,562	2,723,629	4,367,181	7,036,372
Transfers	<u>1,656,835</u>	<u>1,820,302</u>	<u>(1,656,835)</u>	<u>(1,820,302)</u>	-	-
Increase in net position	3,365,454	6,133,045	1,001,727	903,327	4,367,181	7,036,372
Net position January 1	<u>58,143,339</u>	<u>52,010,294</u>	<u>66,323,313</u>	<u>65,419,986</u>	<u>124,466,652</u>	<u>117,430,280</u>
Net position December 31	<u>\$ 61,508,793</u>	<u>\$ 58,143,339</u>	<u>\$ 67,325,040</u>	<u>\$ 66,323,313</u>	<u>\$ 128,833,833</u>	<u>\$ 124,466,652</u>

## Governmental Activities:

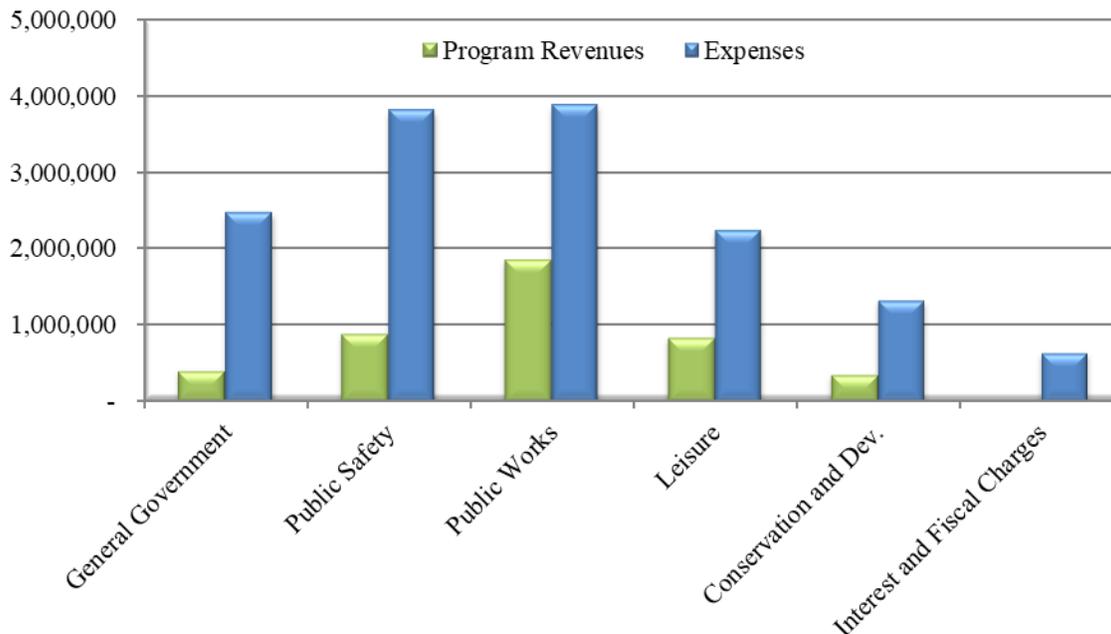
At the end of 2021, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of \$102.3 million and total liabilities and deferred inflows of resources of \$40.8 million, resulting in a net position of \$61.5 million. The net position is allocated with \$48.8 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.

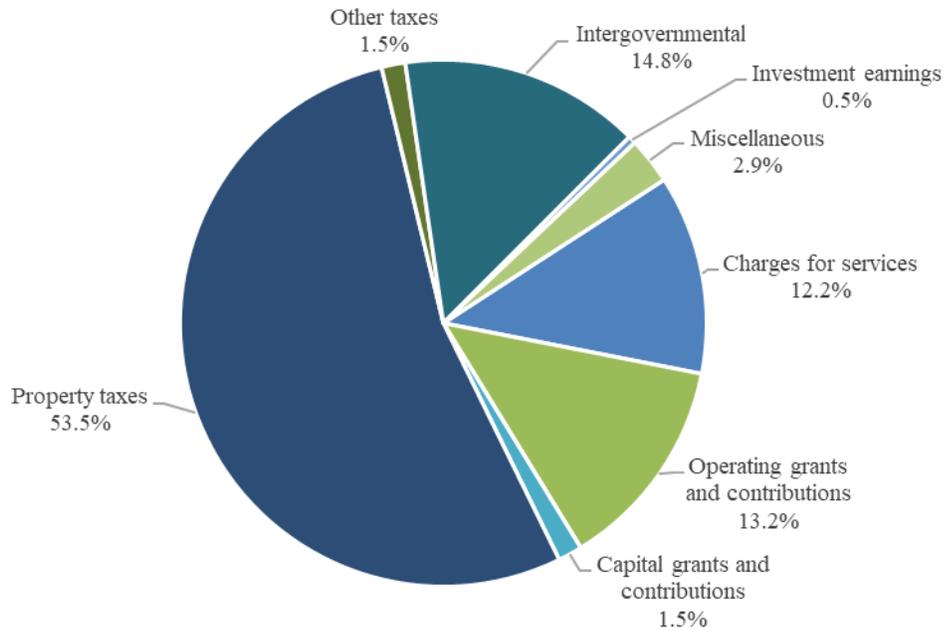
Governmental activities expensed \$14.38 million in 2021 compared to \$14.35 million in 2020. Public Safety and Public Works represent 53.4% of total expenses.

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



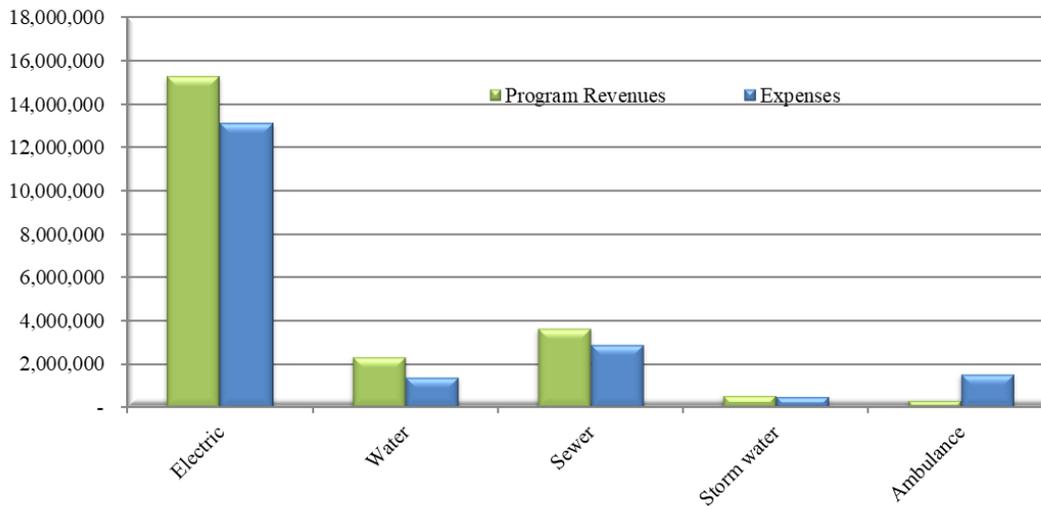
## Program and General Revenues by Source - Governmental Activities



### **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 16<sup>th</sup>, 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	Business Improvement District
<b>Assets and Deferred Outflows of Resources</b>				
<b>Assets</b>				
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	<u>97,360,679</u>	<u>78,681,803</u>	<u>176,042,482</u>	<u>99,683</u>
<b>Deferred Outflows of Resources</b>				
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	<u>4,986,366</u>	<u>1,568,466</u>	<u>6,554,832</u>	<u>-</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
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	<u>25,805,681</u>	<u>10,839,138</u>	<u>36,644,819</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
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	<u>15,032,571</u>	<u>2,086,091</u>	<u>17,118,662</u>	<u>-</u>

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	Total	Business Improvement District
<b>Net Position</b>				
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	<u>4,353,915</u>	<u>7,947,746</u>	<u>13,783,026</u>	<u>99,683</u>
 Total net position	<u>\$ 61,508,793</u>	<u>\$ 67,325,040</u>	<u>\$128,833,833</u>	<u>\$ 99,683</u>

See notes to financial statements

# City of River Falls

## Statement of Activities

Year Ended December 31, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenues and Changes in Net Position			Component Unit Business Improvement District
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government Governmental Activities	Business-Type Activities	Total	
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 2,473,975	\$ 406,135	\$ -	\$ -	\$ (2,067,840)	\$ -	\$ (2,067,840)	\$ -
Public safety	3,812,876	136,326	749,251	-	(2,927,299)	-	(2,927,299)	-
Public works	3,878,945	983,381	865,454	3,090	(2,027,020)	-	(2,027,020)	-
Health services	19,886	-	-	-	(19,886)	-	(19,886)	-
Leisure activities	2,235,832	323,333	505,477	-	(1,407,022)	-	(1,407,022)	-
Conservation and development	1,321,400	121,538	-	236,250	(963,612)	-	(963,612)	-
Interest and fiscal charges	636,950	-	-	-	(636,950)	-	(636,950)	-
Total governmental activities	14,379,864	1,970,713	2,120,182	239,340	(10,049,629)	-	(10,049,629)	-
Business-Type activities:								
Electric utility	14,025,540	15,172,454	-	129,128	-	1,276,042	1,276,042	-
Water utility	1,493,204	1,979,414	-	351,845	-	838,055	838,055	-
Sewer utility	2,746,450	3,385,367	-	261,336	-	900,253	900,253	-
Stormwater	783,717	582,301	-	-	-	(201,416)	(201,416)	-
Ambulance	565,203	337,322	-	-	-	(227,881)	(227,881)	-
Total business-type activities	19,614,114	21,456,858	-	742,309	-	2,585,053	2,585,053	-
Total primary government	\$ 33,993,978	\$ 23,427,571	\$ 2,120,182	\$ 981,649	(10,049,629)	2,585,053	(7,464,576)	-
<b>Component Unit</b>								
Business improvement district	\$ 30,396	\$ 42,000	\$ -	\$ -	-	-	-	11,604
<b>General Revenues</b>								
Taxes								
Property taxes, levied for general purposes					6,657,305	-	6,657,305	-
Property taxes, levied for debt service					330,430	-	330,430	-
Property taxes, levied for TIF districts					1,615,183	-	1,615,183	-
Other taxes					235,189	-	235,189	-
Intergovernmental revenues not restricted to specific programs					2,382,232	-	2,382,232	-
Investment income					77,772	30,068	107,840	-
Miscellaneous					460,137	43,441	503,578	-
Total general revenues					11,758,248	73,509	11,831,757	-
Transfers					1,656,835	(1,656,835)	-	-
Change in net position					3,365,454	1,001,727	4,367,181	11,604
<b>Net Position, Beginning</b>					58,143,339	66,323,313	124,466,652	88,079
<b>Net Position, Ending</b>					\$ 61,508,793	\$ 67,325,040	\$ 128,833,833	\$ 99,683

See notes to financial statements

# City of River Falls

Balance Sheet  
Governmental Funds  
December 31, 2021

	<u>General Fund</u>	<u>Tax Increment District #10</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Assets</b>					
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	-	31,465	248,029	539,550
Special assessments	46,099	-	7,634	-	53,733
Accrued interest	6,637	-	-	3,584	10,221
Loans	-	369,000	131,325	581,978	1,082,303
Prepaid items	56,126	-	-	4,910	61,036
Due from other funds	609,783	-	-	-	609,783
Due from other governments	4,306	-	-	137	4,443
Advances to other funds	<u>6,538,531</u>	<u>-</u>	<u>500,000</u>	<u>1,500,000</u>	<u>8,538,531</u>
Total assets	<u>\$ 18,190,359</u>	<u>\$ 1,188,509</u>	<u>\$ 2,974,141</u>	<u>\$ 12,662,918</u>	<u>\$ 35,015,927</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
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	<u>-</u>	<u>3,422,711</u>	<u>-</u>	<u>5,115,820</u>	<u>8,538,531</u>
Total liabilities	<u>438,112</u>	<u>3,422,711</u>	<u>3,573,402</u>	<u>6,627,429</u>	<u>14,061,654</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	4,829,941	681,756	246,632	3,077,408	8,835,737
Unavailable revenues	<u>187,869</u>	<u>369,000</u>	<u>135,575</u>	<u>584,365</u>	<u>1,276,809</u>
Total deferred inflows of resources	<u>5,017,810</u>	<u>1,050,756</u>	<u>382,207</u>	<u>3,661,773</u>	<u>10,112,546</u>
<b>Fund Balances (Deficit)</b>					
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)	<u>6,139,780</u>	<u>(3,284,958)</u>	<u>(1,481,468)</u>	<u>(3,738,216)</u>	<u>(2,364,862)</u>
Total fund balances (deficit)	<u>12,734,437</u>	<u>(3,284,958)</u>	<u>(981,468)</u>	<u>2,373,716</u>	<u>10,841,727</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,190,359</u>	<u>\$ 1,188,509</u>	<u>\$ 2,974,141</u>	<u>\$ 12,662,918</u>	<u>\$ 35,015,927</u>

See notes to financial statements

## City of River Falls

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

<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 10,841,727</b>
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.	
Deferred outflows, pension related amounts	4,604,436
Deferred outflows, OPEB related amounts	163,667
Less internal service fund included below	(210,285)
Deferred inflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	
Deferred inflows, pension related amounts	(6,121,130)
Deferred inflows, OPEB related amounts	(75,704)
Add internal service fund included below	305,710
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)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 61,508,793</u></b>

See notes to financial statements

# City of River Falls

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

	<u>General Fund</u>	<u>Tax Increment District #10</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>Revenues</b>					
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	<u>9,616,825</u>	<u>534,672</u>	<u>195,664</u>	<u>5,701,032</u>	<u>16,048,193</u>
<b>Expenditures</b>					
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	-	-	-	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	<u>10,164,156</u>	<u>436,367</u>	<u>739,494</u>	<u>5,353,166</u>	<u>16,693,183</u>
Excess (deficiency) of revenues over expenditures	<u>(547,331)</u>	<u>98,305</u>	<u>(543,830)</u>	<u>347,866</u>	<u>(644,990)</u>
<b>Other Financing Sources (Uses)</b>					
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)	<u>1,158,338</u>	<u>(29,123)</u>	<u>(51,388)</u>	<u>(320,562)</u>	<u>757,265</u>
Net change in fund balances	611,007	69,182	(595,218)	27,304	112,275
<b>Fund Balances (Deficit), Beginning</b>	<u>12,123,430</u>	<u>(3,354,140)</u>	<u>(386,250)</u>	<u>2,346,412</u>	<u>10,729,452</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 12,734,437</u>	<u>\$ (3,284,958)</u>	<u>\$ (981,468)</u>	<u>\$ 2,373,716</u>	<u>\$ 10,841,727</u>

See notes to financial statements

## 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

<b>Net Change in Fund Balances, Total Governmental Funds</b>	<b>\$ 112,275</b>
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.	
Principal repaid	1,871,379
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	<u>426,425</u>
<b>Change in Net Position of Governmental Activities</b>	<b><u>\$ 3,365,454</u></b>

See notes to financial statements

# City of River Falls

Statement of Net Position  
Proprietary Funds  
December 31, 2021

## Business-Type Activities - Enterprise Funds

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>Assets</b>			
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	<u>209,720</u>	<u>91,476</u>	<u>547,522</u>
Total current assets	<u>5,551,405</u>	<u>3,939,094</u>	<u>2,372,790</u>
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	<u>-</u>	<u>-</u>	<u>17,200</u>
Total noncurrent assets	<u>19,956,692</u>	<u>14,834,511</u>	<u>26,445,271</u>
Total assets	<u>25,508,097</u>	<u>18,773,605</u>	<u>28,818,061</u>
<b>Deferred Outflows of Resources</b>			
Deferred charge on refunding	-	-	29,541
Pension related amounts	797,975	284,233	336,902
OPEB related amounts	<u>26,398</u>	<u>2,068</u>	<u>4,515</u>
Total deferred outflows of resources	<u>824,373</u>	<u>286,301</u>	<u>370,958</u>

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
\$ 866,395	\$ 9,310,877	\$ 321,978
396,101	2,200,196	-
-	66,412	1,754
-	686,550	-
561	13,593	12,352
-	848,718	-
<u>1,263,057</u>	<u>13,126,346</u>	<u>336,084</u>
-	747,313	-
-	435,585	-
-	996,091	-
59,169	963,793	129,187
101,298	365,000	-
64,350	1,506,765	-
9,600,498	99,264,244	543,343
(3,359,982)	(36,772,774)	(437,673)
-	24,986	-
-	153,604	-
-	17,200	-
<u>6,465,333</u>	<u>67,701,807</u>	<u>234,857</u>
<u>7,728,390</u>	<u>80,828,153</u>	<u>570,941</u>
-	29,541	-
86,834	1,505,944	210,285
-	32,981	-
<u>86,834</u>	<u>1,568,466</u>	<u>210,285</u>

See notes to financial statements

# City of River Falls

Statement of Net Position  
 Proprietary Funds  
 December 31, 2021

## Business-Type Activities - Enterprise Funds

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>Liabilities</b>			
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
	<u>1,423,378</u>	<u>165,872</u>	<u>1,218,481</u>
Total current liabilities			
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	8,998	19,644
	<u>2,167,769</u>	<u>1,185,662</u>	<u>4,624,632</u>
Total noncurrent liabilities			
Total liabilities			
	<u>3,591,147</u>	<u>1,351,534</u>	<u>5,843,113</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	1,119,932	392,296	446,969
OPEB related amounts	12,210	957	2,088
	<u>1,132,142</u>	<u>393,253</u>	<u>449,057</u>
Total deferred inflows of resources			
<b>Net Position</b>			
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
	<u>21,609,181</u>	<u>17,315,119</u>	<u>22,896,849</u>
Total net position			

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

Net position business-type activities

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
\$ 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	-
<u>53,344</u>	<u>2,861,075</u>	<u>45,690</u>
-	340,000	-
-	6,956,585	-
-	383,333	-
-	154,657	-
-	143,488	-
-	<u>7,978,063</u>	-
<u>53,344</u>	<u>10,839,138</u>	<u>45,690</u>
111,639	2,070,836	305,710
-	15,255	-
<u>111,639</u>	<u>2,086,091</u>	<u>305,710</u>
6,406,164	56,177,716	105,670
-	804,109	-
-	996,091	-
-	435,585	-
59,169	963,793	129,187
<u>1,184,908</u>	<u>10,094,096</u>	<u>194,969</u>
<u>\$ 7,650,241</u>	69,471,390	<u>\$ 429,826</u>
	<u>(2,146,350)</u>	
	<u>\$ 67,325,040</u>	

See notes to financial statements

# City of River Falls

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

## Business-Type Activities - Enterprise Funds

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>Operating Revenues</b>			
Public charges for services	\$ 15,172,454	\$ 1,979,414	\$ 3,385,367
Total operating revenues	<u>15,172,454</u>	<u>1,979,414</u>	<u>3,385,367</u>
<b>Operating Expenses</b>			
Operation and maintenance	12,600,463	913,815	1,681,709
Depreciation	<u>1,146,752</u>	<u>476,517</u>	<u>850,036</u>
Total operating expenses	<u>13,747,215</u>	<u>1,390,332</u>	<u>2,531,745</u>
Operating income (loss)	<u>1,425,239</u>	<u>589,082</u>	<u>853,622</u>
<b>Nonoperating Revenues (Expenses)</b>			
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	<u>29,389</u>	<u>-</u>	<u>-</u>
Total nonoperating revenues (expenses)	<u>(13,462)</u>	<u>(45,404)</u>	<u>(140,748)</u>
Income before contributions and transfers	<u>1,411,777</u>	<u>543,678</u>	<u>712,874</u>
<b>Contributions and Transfers</b>			
Capital contributions	129,128	351,845	261,336
Transfers from other funds	-	-	-
Transfers to other funds	<u>(956,877)</u>	<u>(434,986)</u>	<u>(212,092)</u>
Total contributions and transfers	<u>(827,749)</u>	<u>(83,141)</u>	<u>49,244</u>
Change in net position	584,028	460,537	762,118
<b>Net Position, Beginning</b>	<u>21,025,153</u>	<u>16,854,582</u>	<u>22,134,731</u>
<b>Net Position, Ending</b>	<u>\$ 21,609,181</u>	<u>\$ 17,315,119</u>	<u>\$ 22,896,849</u>
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

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

See notes to financial statements

## City of River Falls

### Statement of Cash Flows

#### Proprietary Funds

Year Ended December 31, 2021

#### **Business-Type Activities - Enterprise Funds**

	<b><u>Electric Utility</u></b>	<b><u>Water Utility</u></b>	<b><u>Sewer Utility</u></b>
<b>Cash Flows From Operating Activities</b>			
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	<u>(984,665)</u>	<u>(446,554)</u>	<u>(566,258)</u>
Net cash flows from operating activities	<u>2,575,980</u>	<u>1,060,108</u>	<u>1,596,929</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>14,458</u>	<u>7,158</u>	<u>6,502</u>
Net cash flows from investing activities	<u>14,458</u>	<u>7,158</u>	<u>6,502</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Paid to municipality for tax equivalent	(461,693)	(286,576)	-
Debt retired	(2,973)	-	-
Transfers to/from other funds	<u>(495,184)</u>	<u>(148,410)</u>	<u>(212,092)</u>
Net cash flows from noncapital financing activities	<u>(959,850)</u>	<u>(434,986)</u>	<u>(212,092)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
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	<u>-</u>	<u>351,845</u>	<u>247,172</u>
Net cash flows from capital and related financing activities	<u>(1,415,286)</u>	<u>36,549</u>	<u>(1,193,069)</u>
Net change in cash and cash equivalents	215,302	668,829	198,270
<b>Cash and Cash Equivalents, Beginning</b>	<u>3,540,633</u>	<u>3,256,370</u>	<u>3,592,785</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 3,755,935</u></u>	<u><u>\$ 3,925,199</u></u>	<u><u>\$ 3,791,055</u></u>

See notes to financial statements

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

See notes to financial statements

# City of River Falls

## Statement of Cash Flows

### Proprietary Funds

Year Ended December 31, 2021

### Business-Type Activities - Enterprise Funds

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash</b>			
<b>Flows From Operating Activities</b>			
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>
<b>Reconciliation of Cash and Cash Equivalents to the</b>			
<b>Statement of Net Position, Proprietary Funds</b>			
Cash and investments	\$ 3,286,405	\$ 3,659,486	\$ 1,498,591
Restricted cash and investments	<u>469,530</u>	<u>265,713</u>	<u>2,292,464</u>
Cash and cash equivalents	<u>\$ 3,755,935</u>	<u>\$ 3,925,199</u>	<u>\$ 3,791,055</u>
<b>Noncash Capital and Related Financing Activities</b>			
None			

See notes to financial statements

<b>Business-Type Activities - Enterprise Funds</b>		<b>Governmental Activities - Internal Service Funds</b>
<b>Nonmajor Enterprise Funds</b>	<b>Total</b>	
\$ (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	-
<u>(18,778)</u>	<u>(289,616)</u>	<u>(34,712)</u>
<u>\$ 18,379</u>	<u>\$ 5,251,396</u>	<u>\$ (811,334)</u>
\$ 866,395	\$ 9,310,877	\$ 321,978
-	3,027,707	-
<u>\$ 866,395</u>	<u>\$ 12,338,584</u>	<u>\$ 321,978</u>

See notes to financial statements

# City of River Falls

## Statement of Fiduciary Net Position

Fiduciary Fund

December 31, 2021

	<b>Custodial Fund Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 3,663,345
Taxes receivable	<u>12,262,165</u>
Total assets	<u>15,925,510</u>
<b>Liabilities</b>	
Due to other taxing units	<u>15,925,510</u>
Total liabilities	<u>15,925,510</u>
<b>Net Position</b>	
Total net position	<u><u>\$ -</u></u>

See notes to financial statements

# City of River Falls

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

	<u>Custodial Fund Tax Collection Fund</u>
<b>Additions</b>	
Property taxes collected for other governments	\$ 11,030,048
Total additions	<u>11,030,048</u>
<b>Deductions</b>	
Property taxes distributed to other governments	<u>11,030,048</u>
Total deductions	<u>11,030,048</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

See notes to financial statements

# City of River Falls

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December 31, 2021

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# City of River Falls

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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.

## 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:

- a. Total assets/deferred outflows of resources, liabilities/deferred inflows of resources, revenues or expenditures/expenses of that individual governmental or enterprise fund are at least 10% of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental or enterprise fund that met the 10% test is at least 5% of the corresponding total for all governmental and enterprise funds combined.

# 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	

# City of River Falls

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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

## 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

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

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

## **Custodial Credit Risk**

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

## **Credit Risk**

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

## **Concentration of Credit Risk**

The City will diversify investments according to the following limits:

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

## **Interest Rate Risk**

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

## 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:

- a. **Net Investment in Capital Assets** - Consists of capital assets including restricted capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances (excluding unspent debt proceeds) of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction or improvement of those assets.
- b. **Restricted Net Position** - Consists of net position with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted Net Position** - All other net positions that do not meet the definitions of "restricted" or "net investment in capital assets."

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

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

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

### Fund Statements

Governmental fund balances are displayed as follows:

- a. **Nonspendable** - Includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. **Restricted** - Consists of fund balances with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors or laws or regulations of other governments or 2) law through constitutional provisions or enabling legislation.
- c. **Committed** - Includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision making authority. Fund balance amounts are committed through a formal action (resolution) of the City Council. This formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the City Council that originally created the commitment.

## City of River Falls

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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.

# 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:

<u>Fund</u>	<u>Amount</u>	<u>Reason</u>
TIF #10	\$ 3,284,958	Insufficient tax increment generated
General Capital Projects	981,468	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.

# 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:

	<u>Carrying Value</u>	<u>Bank and Investment Balances</u>	<u>Associated Risks</u>
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	concentration of credit
Petty cash	<u>714</u>	<u>-</u>	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>		

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

### 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.

## 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:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>
Corporate bonds	AA+/AA/AA-/A+/A1
Asset-backed securities	AAA
Municipally-held securities	AAA/AA+/AA/AA-
Mortgage-backed securities	AA+

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

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

Local Government Investment Pool

### Concentration of Credit Risk

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

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

### Interest Rate Risk

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

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Years)</u>			
		<u>Less than One Year</u>	<u>One - Five</u>	<u>Six - Ten</u>	<u>More than Ten</u>
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	-
Municipally-held securities	897,902	64,933	699,524	133,445	-
Mortgage-backed securities	<u>927,162</u>	<u>246,528</u>	<u>670,617</u>	<u>-</u>	<u>10,017</u>
Total	<u>\$ 3,499,583</u>	<u>\$ 417,183</u>	<u>\$ 2,665,357</u>	<u>\$ 407,026</u>	<u>\$ 10,017</u>

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

### Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$50,405 in the general fund and \$3,373 in the general capital projects fund; loans of \$267,000 in TIF #10, \$100,050 in the general capital projects fund and \$463,434 in nonmajor governmental funds; and other receivables of \$14,094 in the water utility and \$10,892 in the sewer utility.

## City of River Falls

Notes 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	<u>\$ 23,894</u>
Nonmajor Enterprise Funds	
Allowance for uncollectible ambulance receivables	<u>\$ 1,297,567</u>

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:

	<u>Unearned</u>	<u>Unavailable</u>
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	<u>838,761</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 13,090,142</u>	<u>\$ 1,276,809</u>
Unearned revenue included in liabilities	\$ 4,254,405	
Unearned revenue included in deferred inflows	<u>8,835,737</u>	
Total unearned revenue for governmental funds	<u>\$ 13,090,142</u>	

### 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:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Governmental Activities</b>				
Capital assets not being depreciated / amortized:				
Land	\$ 15,632,657	\$ 700,321	\$ -	\$ 16,332,978
Construction in progress	<u>4,190,319</u>	<u>346,509</u>	<u>4,101,968</u>	<u>434,860</u>
Total capital assets not being depreciated / amortized	<u>19,822,976</u>	<u>1,046,830</u>	<u>4,101,968</u>	<u>16,767,838</u>
Capital assets being depreciated / amortized:				
Land 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	<u>373,105</u>	<u>-</u>	<u>-</u>	<u>373,105</u>
Total capital assets being depreciated / amortized	<u>68,661,543</u>	<u>4,715,819</u>	<u>64,711</u>	<u>73,312,651</u>
Total capital assets	<u>88,484,519</u>	<u>5,762,649</u>	<u>4,166,679</u>	<u>90,080,489</u>

# City of River Falls

Notes to Financial Statements  
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
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	<u>(237,574)</u>	<u>(31,117)</u>	<u>-</u>	<u>(268,691)</u>
Total accumulated depreciation / amortization	<u>(22,295,480)</u>	<u>(1,611,420)</u>	<u>64,711</u>	<u>(23,842,189)</u>
Net capital assets being depreciated / amortized	<u>46,366,063</u>	<u>3,104,399</u>	<u>-</u>	<u>49,470,462</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 66,189,039</u>	<u>\$ 4,151,229</u>	<u>\$ 4,101,968</u>	<u>\$ 66,238,300</u>

Depreciation / amortization expense was charged to functions as follows:

## Governmental Activities

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

## City of River Falls

Notes to Financial Statements  
December 31, 2021

### Business-Type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Electric</b>				
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	<u>290,105</u>	<u>535,980</u>	<u>686,640</u>	<u>139,445</u>
Capital assets being depreciated:				
Hydraulic production	932,179	-	-	932,179
Other production	1,260,829	-	-	1,260,829
Transmission	2,676,475	-	-	2,676,475
Distribution	25,781,688	1,245,620	433,763	26,593,545
General	2,630,919	65,802	9,433	2,687,288
Total capital assets being depreciated	<u>33,282,090</u>	<u>1,311,422</u>	<u>443,196</u>	<u>34,150,316</u>
Total capital assets	<u>33,572,195</u>	<u>1,847,402</u>	<u>1,129,836</u>	<u>34,289,761</u>
Less accumulated depreciation for:				
Hydraulic production	(723,423)	(20,446)	-	(743,869)
Other production	(789,614)	(25,127)	-	(814,741)
Transmission	(969,400)	(86,113)	-	(1,055,513)
Distribution	(10,326,893)	(888,715)	469,283	(10,746,325)
General	(1,631,834)	(126,351)	9,433	(1,748,752)
Total accumulated depreciation	<u>(14,441,164)</u>	<u>(1,146,752)</u>	<u>478,716</u>	<u>(15,109,200)</u>
Net capital assets being depreciated	<u>18,840,926</u>	<u>164,670</u>	<u>(35,520)</u>	<u>19,041,116</u>
Net electric capital assets	<u>\$ 19,131,031</u>	<u>\$ 700,650</u>	<u>\$ 651,120</u>	<u>\$ 19,180,561</u>

# City of River Falls

Notes to Financial Statements  
December 31, 2021

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Water</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 23,120	\$ -	\$ -	\$ 23,120
Construction in progress	<u>134,698</u>	<u>88,920</u>	<u>44,935</u>	<u>178,683</u>
Total capital assets not being depreciated	<u>157,818</u>	<u>88,920</u>	<u>44,935</u>	<u>201,803</u>
Capital assets being depreciated:				
Source of supply	881,451	-	-	881,451
Pumping	2,097,693	29,235	3,157	2,123,771
Water treatment	49,671	-	-	49,671
Transmission and distribution	18,068,012	133,057	17,336	18,183,733
General	<u>559,744</u>	<u>-</u>	<u>-</u>	<u>559,744</u>
Total capital assets being depreciated	<u>21,656,571</u>	<u>162,292</u>	<u>20,493</u>	<u>21,798,370</u>
Total capital assets	<u>21,814,389</u>	<u>251,212</u>	<u>65,428</u>	<u>22,000,173</u>
Less accumulated depreciation for				
Source of supply	(229,770)	(30,181)	-	(259,951)
Pumping	(780,429)	(61,069)	3,157	(838,341)
Water treatment	(24,975)	(2,695)	-	(27,670)
Transmission and distribution	(5,815,561)	(402,797)	17,336	(6,201,022)
General	<u>(326,316)</u>	<u>(31,857)</u>	<u>-</u>	<u>(358,173)</u>
Total accumulated depreciation	<u>(7,177,051)</u>	<u>(528,599)</u>	<u>20,493</u>	<u>(7,685,157)</u>
Net capital assets being depreciated	<u>14,479,520</u>	<u>(366,307)</u>	<u>-</u>	<u>14,113,213</u>
Net water capital assets	<u>\$ 14,637,338</u>	<u>\$ (277,387)</u>	<u>\$ 44,935</u>	<u>\$ 14,315,016</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 117,622	\$ -	\$ -	\$ 117,622
Construction in progress	<u>2,549,181</u>	<u>817,656</u>	<u>2,119,590</u>	<u>1,247,247</u>
Total capital assets not being depreciated	<u>2,666,803</u>	<u>817,656</u>	<u>2,119,590</u>	<u>1,364,869</u>
Capital assets being depreciated:				
Collection system	17,867,521	165,408	11,553	18,021,376
Collection system pumping	1,028,479	-	57,161	971,318
Treatment and disposal	11,143,262	1,909,755	1,648,094	11,404,923
General	3,226,091	-	-	3,226,091
Intangibles	<u>98,839</u>	<u>-</u>	<u>7,487</u>	<u>91,352</u>
Total capital assets being depreciated	<u>33,364,192</u>	<u>2,075,163</u>	<u>1,724,295</u>	<u>33,715,060</u>
Total capital assets	<u>36,030,995</u>	<u>2,892,819</u>	<u>3,843,885</u>	<u>35,079,929</u>
Less accumulated depreciation for:				
Collection system	(3,844,672)	(192,305)	14,457	(4,022,520)
Collection system pumping	(838,409)	(20,274)	76,236	(782,447)
Treatment and disposal	(5,551,326)	(373,940)	1,599,632	(4,325,634)
General	<u>(1,362,764)</u>	<u>(125,070)</u>	<u>-</u>	<u>(1,487,834)</u>
Total accumulated depreciation	<u>(11,597,171)</u>	<u>(711,589)</u>	<u>1,690,325</u>	<u>(10,618,435)</u>
Net capital assets being depreciated	<u>21,767,021</u>	<u>1,363,574</u>	<u>33,970</u>	<u>23,096,625</u>
Net sewer capital assets	<u>\$ 24,433,824</u>	<u>\$ 2,181,230</u>	<u>\$ 2,153,560</u>	<u>\$ 24,461,494</u>

## City of River Falls

Notes to Financial Statements  
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	Beginning Balance	Additions	Deletions	Ending Balance
<b>Stormwater</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 64,350	\$ -	\$ -	\$ 64,350
Total capital assets not being depreciated	<u>64,350</u>	<u>-</u>	<u>-</u>	<u>64,350</u>
Capital assets being depreciated:				
Machinery and equipment	143,440	-	-	143,440
Collection system	<u>8,819,665</u>	<u>-</u>	<u>-</u>	<u>8,819,665</u>
Total capital assets being depreciated	<u>8,963,105</u>	<u>-</u>	<u>-</u>	<u>8,963,105</u>
Total capital assets	<u>9,027,455</u>	<u>-</u>	<u>-</u>	<u>9,027,455</u>
Less accumulated depreciation for:				
Machinery and equipment	(124,139)	(15,827)	-	(139,966)
Collection system	<u>(2,518,418)</u>	<u>(162,557)</u>	<u>-</u>	<u>(2,680,975)</u>
Total accumulated depreciation	<u>(2,642,557)</u>	<u>(178,384)</u>	<u>-</u>	<u>(2,820,941)</u>
Net capital assets being depreciated	<u>6,320,548</u>	<u>(178,384)</u>	<u>-</u>	<u>6,142,164</u>
Net stormwater capital assets	<u>\$ 6,384,898</u>	<u>\$ (178,384)</u>	<u>\$ -</u>	<u>\$ 6,206,514</u>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Ambulance</b>				
Capital assets not being depreciated:				
Land	\$ 101,298	\$ -	\$ -	\$ 101,298
Total capital assets not being depreciated	<u>101,298</u>	<u>-</u>	<u>-</u>	<u>101,298</u>
Capital assets being depreciated:				
Buildings	601,408	-	-	601,408
Machinery and equipment	<u>61,173</u>	<u>-</u>	<u>25,188</u>	<u>35,985</u>
Total capital assets being depreciated	<u>662,581</u>	<u>-</u>	<u>25,188</u>	<u>637,393</u>
Total capital assets	<u>763,879</u>	<u>-</u>	<u>25,188</u>	<u>738,691</u>
Less accumulated depreciation for:				
Buildings	(483,025)	(21,830)	-	(504,855)
Machinery and equipment	<u>(47,616)</u>	<u>-</u>	<u>13,430</u>	<u>(34,186)</u>
Total accumulated depreciation	<u>(530,641)</u>	<u>(21,830)</u>	<u>13,430</u>	<u>(539,041)</u>
Net capital assets being depreciated	<u>131,940</u>	<u>(21,830)</u>	<u>11,758</u>	<u>98,352</u>
Net ambulance capital assets	<u>\$ 233,238</u>	<u>\$ (21,830)</u>	<u>\$ 11,758</u>	<u>\$ 199,650</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 64,820,329</u>	<u>\$ 2,404,279</u>	<u>\$ 2,861,373</u>	<u>\$ 64,363,235</u>

# City of River Falls

Notes to Financial Statements  
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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	<u>26,870</u>
Total business-type activities depreciation expense	<u>\$ 2,678,559</u>

Depreciation expense is different from additions because of joint metering, salvage and cost of removal.

## Interfund Receivables/Payables, Advances and Transfers

### Interfund Receivables/Payables

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

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	TIF District #5	\$ 9,126
General Fund	TIF District #11	114,867
General Fund	TIF District #14	243,305
General Fund	TIF District #17	12,969
General Fund	TIF District #18	16,805
General Fund	Refuse and Solid Waste	57,435
General Fund	Commercial Revolving Loan	66,771
General Fund	Fire Impact Fee	26,669
General Fund	Debt Service Bonds	37,441
General Fund	Debt Service Notes	203
General Fund	Motor Pool	<u>24,192</u>
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		<u>\$ 2,146,350</u>

All amounts are due within one year.

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

### Advances

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

# 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:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>	<u>Amount Not Due Within One Year</u>
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	<u>1,000,000</u>	1,000,000
Total, fund financial statements		8,538,531	
Less fund eliminations		<u>(8,538,531)</u>	
Total, interfund advances, government-wide statement of net position		<u>\$ -</u>	

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

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

## City of River Falls

Notes to Financial Statements  
December 31, 2021

### Transfers

The following is a schedule of interfund transfers:

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>	<u>Principal Purpose</u>
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	260,066	Budgeted allocations
Internal service funds	Water utility	59,234	Budgeted allocations
Internal service funds	Sewer utility	<u>79,271</u>	Budgeted allocations
Total, fund financial statements		3,377,119	Budgeted allocations
Less fund eliminations		<u>(1,720,284)</u>	
Total transfers, government-wide statement of activities		<u>\$ 1,656,835</u>	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund and (3) use unrestricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

# 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
<b>Governmental Activities</b>					
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	3,029,361	-	456,379	2,572,982	430,704
(Discounts)/Premiums	854,885	-	60,728	794,157	-
Total bonds and notes payable	<u>21,554,246</u>	<u>-</u>	<u>1,932,107</u>	<u>19,622,139</u>	<u>1,795,704</u>
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	<u>1,111,597</u>	<u>16,118</u>	<u>73,278</u>	<u>1,054,437</u>	<u>250,555</u>
Total governmental activities long- term liabilities	<u>\$ 22,665,843</u>	<u>\$ 16,118</u>	<u>\$ 2,005,385</u>	<u>\$ 20,676,576</u>	<u>\$ 2,046,259</u>
<b>Business-Type Activities</b>					
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	486,306	-	52,973	433,333	50,000
(Discounts)/Premiums:					
Bond discount	181,654	-	26,997	154,657	-
Total bonds and notes payable	<u>10,089,855</u>	<u>-</u>	<u>1,127,482</u>	<u>8,962,373</u>	<u>1,127,798</u>
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	<u>216,812</u>	<u>36,881</u>	<u>-</u>	<u>253,693</u>	<u>110,205</u>
Total business-type activities long- term liabilities	<u>\$ 10,306,667</u>	<u>\$ 36,881</u>	<u>\$ 1,127,482</u>	<u>\$ 9,216,066</u>	<u>\$ 1,238,003</u>

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  
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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.

<u>Governmental Activities</u>					<b>Balance</b>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2021</u>
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	<u>5,680,000</u>
Total governmental activities, general obligation debt					<u>\$ 18,827,982</u>

<u>Business-Type Activities</u>					<b>Balance</b>
<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>December 31, 2021</u>
Refunding Bonds	08/2012	05/2023	1.0-2.5%	\$ 3,165,000	<u>\$ 665,000</u>
Total business-type activities, general obligation debt					<u>\$ 665,000</u>

\* - 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:

<u>Years</u>	<u>Governmental Activities General Obligation Debt</u>		<u>Business-Type Activities General Obligation Debt</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
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	<u>\$ 16,255,000</u>	<u>\$ 3,067,099</u>	<u>\$ 665,000</u>	<u>\$ 13,450</u>

<u>Years</u>	<u>Governmental Activities Bonds and Notes from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
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	<u>\$ 2,572,982</u>	<u>\$ 437,321</u>

## 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

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>Electric Utility</b>					
Revenue Bonds	07/2018	04/2028	3.0-4.0%	\$ 2,500,000	\$ 1,855,000
				Total Electric Utility	<u>1,855,000</u>
<b>Water Utility</b>					
Revenue Bonds	07/2011	11/2031	2.0-4.4%	2,125,000	<u>1,280,000</u>
				Total Water Utility	<u>1,280,000</u>
<b>Sewer Utility</b>					
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	<u>3,750,000</u>
				Total Sewer Utility	<u>4,574,383</u>
Total business-type activities, revenue debt					<u>\$ 7,709,383</u>

\* - 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:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
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	<u>\$ 6,885,000</u>	<u>\$ 1,357,555</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 197,798	\$ 19,922
2023	203,230	14,416
2024	208,811	8,758
2025	214,544	2,946
Total	<u>\$ 824,383</u>	<u>\$ 46,042</u>

## Other Loans Payable

<u>Business-Type Activities</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2021</u>
<b>Other Loans Payable</b>					
WPPI Loan *	05/2020	06/2030	0%	\$ 500,000	\$ 433,333
Total business-type activities other loans payable					<u>\$ 433,333</u>

\* - Considered direct placement or direct borrowing

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Other Loans Payable</b>	
	<u>Principal</u>	<u>Interest</u>
2022	\$ 50,000	\$ -
2023	50,000	-
2024	50,000	-
2025	50,000	-
2026	50,000	-
2027-2030	183,333	-
Total	<u>\$ 433,333</u>	<u>\$ -</u>

# City of River Falls

Notes to Financial Statements  
December 31, 2021

## 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	<u>218,263</u>
Total net investment in capital assets	<u>\$ 48,798,825</u>

# 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
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 56,126	\$ -	\$ -	\$ 4,910	\$ 61,036
Advances to other funds	<u>6,538,531</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>7,038,531</u>
Subtotal	<u>6,594,657</u>	<u>-</u>	<u>500,000</u>	<u>4,910</u>	<u>7,099,567</u>
<b>Restricted for:</b>					
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	<u>-</u>	<u>-</u>	<u>-</u>	<u>155,149</u>	<u>155,149</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,077,017</u>	<u>5,077,017</u>
<b>Committed to:</b>					
American Recovery Plan	-	-	-	257	257
Park acquisition	-	-	-	1,125	1,125
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,028,623</u>	<u>1,028,623</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,030,005</u>	<u>1,030,005</u>
<b>Unassigned (deficit):</b>	<u>6,139,780</u>	<u>(3,284,958)</u>	<u>(1,481,468)</u>	<u>(3,738,216)</u>	<u>(2,364,862)</u>
Total fund balances (deficit)	<u>\$ 12,734,437</u>	<u>\$ (3,284,958)</u>	<u>\$ (981,468)</u>	<u>\$ 2,373,716</u>	<u>\$ 10,841,727</u>

## 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	<u>747,313</u>

Total net investment in capital assets \$ 56,177,716

# City of River Falls

Notes to Financial Statements  
December 31, 2021

## 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

	<u>Carrying Value</u>	<u>Statement Balances</u>	<u>Associated Risks</u>
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 (880 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:

<u>Year</u>	<u>Core Fund Adjustment %</u>	<u>Variable Fund Adjustment %</u>
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

## City of River Falls

Notes to Financial Statements  
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### 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:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
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	<u>614,669</u>	<u>-</u>
Total	<u>\$ 6,110,380</u>	<u>\$ 8,191,966</u>

## 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:

<u>Year Ended December 31:</u>	<u>Deferred Outflows of Resources and Deferred Inflows of Resources (net)</u>
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:

<b>Core Fund Asset Class</b>	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
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
<b>Variable Fund Asset Class</b>			
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  
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### 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:

	<u>1% Decrease to Discount Rate (6.00%)</u>	<u>Current Discount Rate (7.00%)</u>	<u>1% Increase to Discount Rate (8.00%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,556,273	\$ (3,736,125)	\$ (9,092,337)

### Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/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.

# City of River Falls

Notes to Financial Statements  
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## Long-Term Contracts, WPPI Energy

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

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

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

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

## Joint Ventures

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

Hudson	41.39 %
River Falls	18.59 %
New Richmond	8.99 %
Prescott	8.93 %
Ellsworth	6.69 %
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	<u>40</u>
Total	<u><u>47</u></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

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

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

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (7.0% decreasing to 3.5%) or 1-percentage-point higher (9.0% decreasing to 5.5%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
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:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 70,329	\$ 80,459
Changes of assumptions or other inputs	<u>126,319</u>	<u>10,500</u>
Total	<u>\$ 196,648</u>	<u>\$ 90,959</u>

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

<u>Year Ended December 31:</u>	<u>Amount</u>
2022	\$ 27,808
2023	27,808
2024	27,814
2025	22,132
2026	7,290
Thereafter	<u>(7,163)</u>
Total	<u>\$ 105,689</u>

### 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

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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.

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

**REQUIRED SUPPLEMENTARY INFORMATION**

## City of River Falls

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 4,857,183	\$ 4,857,183	\$ 4,839,321	\$ (17,862)
Special assessments	-	-	120	120
Intergovernmental	3,676,913	3,676,913	3,729,140	52,227
Licenses and permits	330,350	330,350	387,431	57,081
Fines, forfeitures and penalties	170,000	170,000	153,917	(16,083)
Public charges for services	255,475	255,475	343,207	87,732
Intergovernmental charges for services	25,000	25,000	14,263	(10,737)
Investment income	128,723	149,153	65,221	(83,932)
Miscellaneous	<u>66,953</u>	<u>66,953</u>	<u>84,205</u>	<u>17,252</u>
Total revenues	<u>9,510,597</u>	<u>9,531,027</u>	<u>9,616,825</u>	<u>85,798</u>
<b>Expenditures</b>				
Current:				
General government	2,062,282	2,062,282	1,942,827	119,455
Public safety	4,166,533	4,166,533	3,975,679	190,854
Public works	2,415,667	2,289,667	2,020,599	269,068
Health services	2,740	2,740	1,902	838
Leisure activities	900,288	918,288	912,881	5,407
Conservation and development	910,992	1,018,992	1,013,996	4,996
Debt service:				
Principal	251,303	251,303	251,291	12
Interest and fiscal charges	<u>44,866</u>	<u>44,866</u>	<u>44,981</u>	<u>(115)</u>
Total expenditures	<u>10,754,671</u>	<u>10,754,671</u>	<u>10,164,156</u>	<u>590,515</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,244,074)</u>	<u>(1,223,644)</u>	<u>(547,331)</u>	<u>676,313</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,950,270	1,929,840	1,863,109	(66,731)
Transfers out	(721,196)	(721,196)	(721,196)	-
Property sales	<u>15,000</u>	<u>15,000</u>	<u>16,425</u>	<u>1,425</u>
Total other financing sources (uses)	<u>1,244,074</u>	<u>1,223,644</u>	<u>1,158,338</u>	<u>(65,306)</u>
Net change in fund balance	-	-	611,007	611,007
<b>Fund Balance, Beginning</b>	<u>12,123,430</u>	<u>12,123,430</u>	<u>12,123,430</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 12,123,430</u>	<u>\$ 12,123,430</u>	<u>\$ 12,734,437</u>	<u>\$ 611,007</u>

See notes to required supplementary information

## 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

	<u>Budgeted Amounts Original and Final</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 416,000	\$ 448,464	\$ 32,464
Investment income	-	135	135
Miscellaneous	84,000	86,073	2,073
Total revenues	<u>500,000</u>	<u>534,672</u>	<u>34,672</u>
<b>Expenditures</b>			
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	<u>432,476</u>	<u>436,367</u>	<u>(3,891)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>67,524</u>	<u>98,305</u>	<u>30,781</u>
<b>Other Financing Uses</b>			
Transfers to other funds	<u>(29,123)</u>	<u>(29,123)</u>	<u>-</u>
Total other financing uses	<u>(29,123)</u>	<u>(29,123)</u>	<u>-</u>
Net change in fund balance	38,401	69,182	30,781
<b>Fund Balance (Deficit), Beginning</b>	<u>(3,354,140)</u>	<u>(3,354,140)</u>	<u>-</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ (3,315,739)</u>	<u>\$ (3,284,958)</u>	<u>\$ 30,781</u>

See notes to required supplementary information

**City of River Falls****Schedule of Changes in Total OPEB Liability and Related Ratios**  
Year Ended December 31, 2021

	<b>Year End Date</b>				
	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Total OPEB Liability</b>					
Service cost	\$ 48,680	\$ 37,288	\$ 36,854	\$ 39,517	\$ 34,576
Interest	19,416	26,116	28,328	25,542	21,789
Differences between expected and actual experience	(85,224)	37,051	58,906	(17,294)	27,203
Changes of assumptions	35,071	64,152	44,979	(24,500)	65,960
Benefit payments	<u>(58,832)</u>	<u>(63,446)</u>	<u>(51,861)</u>	<u>(45,877)</u>	<u>(41,071)</u>
Net change in total OPEB liability	(40,889)	101,161	117,206	(22,612)	108,457
<b>Total OPEB Liability, Beginning</b>	<u>896,441</u>	<u>795,280</u>	<u>678,074</u>	<u>700,686</u>	<u>592,229</u>
<b>Total OPEB Liability, Ending</b>	<u>\$ 855,552</u>	<u>\$ 896,441</u>	<u>\$ 795,280</u>	<u>\$ 678,074</u>	<u>\$ 700,686</u>
Covered employee payroll	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135	\$ 4,692,960
Total OPEB liability as a percentage of covered employee payroll	26.05%	23.67%	20.03%	14.00%	14.93%

See notes to required supplementary information

## 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	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/21	\$ 614,669	\$ 614,669	\$ -	7,031,631	8.74 %
12/31/20	680,059	680,059	-	7,921,103	8.59 %
12/31/19	630,482	630,482	-	8,119,377	7.77 %
12/31/18	614,274	614,274	-	8,119,664	7.57 %
12/31/17	595,057	595,057	-	7,708,241	7.72 %
12/31/16	515,383	515,383	-	6,946,950	7.42 %
12/31/15	462,018	462,018	-	6,407,948	7.21 %

See notes to required supplementary information

## City of River Falls

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Notes to Required Supplementary Information  
Year Ended December 31, 2021

### **Budgetary Information**

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

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

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

### **Other Post Employment Benefit (OPEB) Plan**

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

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

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

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

### **Wisconsin Retirement System**

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

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

*Changes in benefit terms.* There were no changes of benefit terms for any participating employer in the Wisconsin Retirement System.

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

**SUPPLEMENTARY INFORMATION**

## City of River Falls

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Taxes</b>				
General property taxes	\$ 4,766,883	\$ 4,766,883	\$ 4,758,618	\$ (8,265)
Mobile home taxes	22,000	22,000	19,568	(2,432)
Payments in lieu of taxes, housing authority	7,800	7,800	126	(7,674)
Payment in lieu of taxes, other	60,000	60,000	58,933	(1,067)
Interest and penalties on taxes	<u>500</u>	<u>500</u>	<u>2,076</u>	<u>1,576</u>
Total taxes	<u>4,857,183</u>	<u>4,857,183</u>	<u>4,839,321</u>	<u>(17,862)</u>
<b>Special Assessments</b>				
Special assessments	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
Total special assessments	<u>-</u>	<u>-</u>	<u>120</u>	<u>120</u>
<b>Intergovernmental</b>				
State shared revenues	2,121,913	2,121,913	2,136,598	14,685
Fire insurance from state	40,000	40,000	52,453	12,453
State aid, computers	10,000	10,000	10,754	754
State aid, other public safety	-	-	24,206	24,206
State aid, streets	650,000	650,000	652,159	2,159
State aid, local road improvement program	160,000	160,000	-	(160,000)
State aid, municipal services	270,000	270,000	424,842	154,842
Municipal grants	300,000	300,000	300,636	636
School district grant	<u>125,000</u>	<u>125,000</u>	<u>127,492</u>	<u>2,492</u>
Total intergovernmental	<u>3,676,913</u>	<u>3,676,913</u>	<u>3,729,140</u>	<u>52,227</u>
<b>Licenses and Permits</b>				
Liquor and malt beverage licenses	18,000	18,000	28,926	10,926
Operators' license	6,000	6,000	5,160	(840)
Cigarette licenses	1,500	1,500	2,013	513
Cable television franchise fees	130,150	130,150	113,990	(16,160)
Business and occupational licenses	1,000	1,000	2,484	1,484
Dog licenses	4,000	4,000	4,614	614
Housing inspection licenses	500	500	410	(90)
Plumbing permits	2,000	2,000	1,175	(825)
Building permits	160,000	160,000	219,394	59,394
Sign permits	2,500	2,500	1,512	(988)
Zoning permits	3,000	3,000	5,245	2,245
Inspectors red seal	<u>1,700</u>	<u>1,700</u>	<u>2,508</u>	<u>808</u>
Total licenses and permits	<u>330,350</u>	<u>330,350</u>	<u>387,431</u>	<u>57,081</u>
<b>Fines, Forfeitures and Penalties</b>				
Court penalties and costs	50,000	50,000	61,546	11,546
Parking violations	90,000	90,000	67,052	(22,948)
Court costs	<u>30,000</u>	<u>30,000</u>	<u>25,319</u>	<u>(4,681)</u>
Total fines, forfeitures and penalties	<u>170,000</u>	<u>170,000</u>	<u>153,917</u>	<u>(16,083)</u>

## City of River Falls

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

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Public Charges for Services</b>				
Clerk's fees	\$ 9,000	\$ 9,000	\$ 7,501	\$ (1,499)
Zoning administration fees	17,000	17,000	25,300	8,300
Publication fees	1,000	1,000	1,200	200
Plat review fees	10,000	10,000	25,200	15,200
Police department fees	10,000	10,000	6,302	(3,698)
Police towing	8,000	8,000	6,075	(1,925)
Fire department fees	15,000	15,000	15,984	984
Fire inspection fees	1,500	1,500	1,150	(350)
Highway maintenance and construction	10,000	10,000	22,712	12,712
Weights and measures charges	4,475	4,475	4,550	75
Swimming pool	45,000	45,000	26,845	(18,155)
Parks	58,000	58,000	62,327	4,327
Recreation programs	65,000	65,000	85,475	20,475
Forestry fees	-	-	49,301	49,301
Other public charges for services	1,500	1,500	3,285	1,785
Total public charges for services	<u>255,475</u>	<u>255,475</u>	<u>343,207</u>	<u>87,732</u>
<b>Intergovernmental Charges for Services</b>				
Interdepartmental sales	<u>25,000</u>	<u>25,000</u>	<u>14,263</u>	<u>(10,737)</u>
Total intergovernmental charges for services	<u>25,000</u>	<u>25,000</u>	<u>14,263</u>	<u>(10,737)</u>
<b>Investment Income</b>				
Interest, interfund advances	53,723	74,153	74,153	-
Interest on temporary investments	<u>75,000</u>	<u>75,000</u>	<u>(8,932)</u>	<u>(83,932)</u>
Total investment income	<u>128,723</u>	<u>149,153</u>	<u>65,221</u>	<u>(83,932)</u>
<b>Miscellaneous</b>				
Rent of municipal buildings	2,200	2,200	1,200	(1,000)
Donations	-	-	34,948	34,948
Miscellaneous	<u>64,753</u>	<u>64,753</u>	<u>48,057</u>	<u>(16,696)</u>
Total miscellaneous	<u>66,953</u>	<u>66,953</u>	<u>84,205</u>	<u>17,252</u>
<b>Other Financing Sources</b>				
Transfers from other funds	1,950,270	1,929,840	1,863,109	(66,731)
Property sales	<u>15,000</u>	<u>15,000</u>	<u>16,425</u>	<u>1,425</u>
Total other financing sources	<u>1,965,270</u>	<u>1,944,840</u>	<u>1,879,534</u>	<u>(65,306)</u>
Total revenues and other financing sources	<u>\$ 11,475,867</u>	<u>\$ 11,475,867</u>	<u>\$ 11,496,359</u>	<u>\$ 20,492</u>

## City of River Falls

### Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -

General Fund

Year Ended December 31, 2021

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government</b>				
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	<u>54,300</u>	<u>54,300</u>	<u>57,533</u>	<u>(3,233)</u>
Total general government	<u>2,062,282</u>	<u>2,062,282</u>	<u>1,942,827</u>	<u>119,455</u>
<b>Public Safety</b>				
Police	3,498,044	3,498,044	3,429,276	68,768
Fire department	<u>668,489</u>	<u>668,489</u>	<u>546,403</u>	<u>122,086</u>
Total public safety	<u>4,166,533</u>	<u>4,166,533</u>	<u>3,975,679</u>	<u>190,854</u>
<b>Public Works</b>				
Garage	384,897	384,897	350,432	34,465
Street maintenance	1,755,885	1,629,885	1,378,703	251,182
Engineer	<u>274,885</u>	<u>274,885</u>	<u>291,464</u>	<u>(16,579)</u>
Total public works	<u>2,415,667</u>	<u>2,289,667</u>	<u>2,020,599</u>	<u>269,068</u>
<b>Health Services</b>				
Animal control	<u>2,740</u>	<u>2,740</u>	<u>1,902</u>	<u>838</u>
Total health services	<u>2,740</u>	<u>2,740</u>	<u>1,902</u>	<u>838</u>
<b>Leisure Activities</b>				
Recreation	152,785	152,785	139,417	13,368
Swimming	122,638	122,638	95,954	26,684
Parks	<u>624,865</u>	<u>642,865</u>	<u>677,510</u>	<u>(34,645)</u>
Total leisure activities	<u>900,288</u>	<u>918,288</u>	<u>912,881</u>	<u>5,407</u>
<b>Conservation and Development</b>				
Forestry	73,855	181,855	177,698	4,157
Community development	<u>837,137</u>	<u>837,137</u>	<u>836,298</u>	<u>839</u>
Total conservation and development	<u>910,992</u>	<u>1,018,992</u>	<u>1,013,996</u>	<u>4,996</u>
<b>Debt Service</b>				
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	<u>60</u>	<u>60</u>	<u>125</u>	<u>(65)</u>
Total debt service	<u>296,169</u>	<u>296,169</u>	<u>296,272</u>	<u>(103)</u>

# City of River Falls

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

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

# City of River Falls

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	<b>Special Revenue Funds</b>				
	<b>Parking Improvements</b>	<b>Refuse and Solid Waste</b>	<b>Shared Ride Taxi</b>	<b>Environmental Fee</b>	<b>Park Acquisition Fund</b>
<b>Assets</b>					
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	<u>\$ 65,027</u>	<u>\$ 97,233</u>	<u>\$ 27,281</u>	<u>\$ 3,277,641</u>	<u>\$ 1,125</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
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	<u>959</u>	<u>57,468</u>	<u>14,832</u>	<u>14,817</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	137	2,250	-	-
Total deferred inflows of resources	<u>-</u>	<u>137</u>	<u>2,250</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	64,068	39,628	10,199	3,262,824	-
Committed	-	-	-	-	1,125
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>64,068</u>	<u>39,628</u>	<u>10,199</u>	<u>3,262,824</u>	<u>1,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 65,027</u>	<u>\$ 97,233</u>	<u>\$ 27,281</u>	<u>\$ 3,277,641</u>	<u>\$ 1,125</u>

**Special Revenue Funds**

<b>Tax Increment District #5</b>	<b>Tax Increment District #6</b>	<b>Tax Increment District #8</b>	<b>Tax Increment District #9</b>	<b>Tax Increment District #11</b>	<b>Tax Increment District #12</b>	<b>Tax Increment District #13</b>
\$ 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
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 467,449</u>	<u>\$ 217,785</u>	<u>\$ 158,854</u>	<u>\$ 103,616</u>	<u>\$ 6,713</u>	<u>\$ 121,451</u>	<u>\$ 325,559</u>
\$ 1,440	\$ -	\$ -	\$ -	\$ 20,035	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
9,126	-	-	-	114,867	-	-
-	917,045	118,157	381,709	164,612	629,726	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>10,566</u>	<u>917,045</u>	<u>118,157</u>	<u>381,709</u>	<u>299,514</u>	<u>629,726</u>	<u>-</u>
467,421	180,160	70,359	84,106	6,690	38,373	68,037
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>467,421</u>	<u>180,160</u>	<u>70,359</u>	<u>84,106</u>	<u>6,690</u>	<u>38,373</u>	<u>68,037</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	257,522
-	-	-	-	-	-	-
<u>(10,538)</u>	<u>(879,420)</u>	<u>(29,662)</u>	<u>(362,199)</u>	<u>(299,491)</u>	<u>(546,648)</u>	<u>-</u>
<u>(10,538)</u>	<u>(879,420)</u>	<u>(29,662)</u>	<u>(362,199)</u>	<u>(299,491)</u>	<u>(546,648)</u>	<u>257,522</u>
<u>\$ 467,449</u>	<u>\$ 217,785</u>	<u>\$ 158,854</u>	<u>\$ 103,616</u>	<u>\$ 6,713</u>	<u>\$ 121,451</u>	<u>\$ 325,559</u>

# City of River Falls

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

## Special Revenue Funds

	Tax Increment District #14	Tax Increment District #15	Tax Increment District #16	Tax Increment District #17	Tax Increment District #18
<b>Assets</b>					
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	<u>\$ 93,680</u>	<u>\$ 580,709</u>	<u>\$ 787,034</u>	<u>\$ 48</u>	<u>\$ 2</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
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	<u>247,995</u>	<u>605,963</u>	<u>800,000</u>	<u>13,077</u>	<u>521,718</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	93,613	-	-	-	-
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>93,613</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	<u>(247,928)</u>	<u>(25,254)</u>	<u>(12,966)</u>	<u>(13,029)</u>	<u>(521,716)</u>
Total fund balances (deficit)	<u>(247,928)</u>	<u>(25,254)</u>	<u>(12,966)</u>	<u>(13,029)</u>	<u>(521,716)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 93,680</u>	<u>\$ 580,709</u>	<u>\$ 787,034</u>	<u>\$ 48</u>	<u>\$ 2</u>

**Special Revenue Funds**

<u>Library</u>	<u>Commercial Revolving Loan Fund</u>	<u>Park Impact Fees</u>	<u>Library Impact Fees</u>	<u>Fire Impact Fees</u>	<u>Housing Reserve</u>	<u>Library Trust Fund</u>
\$ 264,138	\$ 330	\$ 437,448	\$ 25,871	\$ -	\$ 462,408	\$ 155,149
850,000	-	-	-	-	-	-
3,168	-	-	99,029	-	-	-
-	-	-	-	-	-	-
-	158,592	-	-	-	423,386	-
4,910	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,122,216</u>	<u>\$ 158,922</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ -</u>	<u>\$ 885,794</u>	<u>\$ 155,149</u>
\$ 10,623	\$ -	\$ -	\$ -	\$ 3,473	\$ -	\$ -
9,942	-	-	-	-	-	-
-	-	-	-	-	-	-
-	66,771	-	-	26,669	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,565</u>	<u>66,771</u>	<u>-</u>	<u>-</u>	<u>30,142</u>	<u>-</u>	<u>-</u>
850,000	-	-	-	-	-	-
<u>-</u>	<u>158,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,386</u>	<u>-</u>
<u>850,000</u>	<u>158,592</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>423,386</u>	<u>-</u>
4,910	-	-	-	-	-	-
246,741	-	437,448	124,900	-	462,408	155,149
-	-	-	-	-	-	-
<u>-</u>	<u>(66,441)</u>	<u>-</u>	<u>-</u>	<u>(30,142)</u>	<u>-</u>	<u>-</u>
<u>251,651</u>	<u>(66,441)</u>	<u>437,448</u>	<u>124,900</u>	<u>(30,142)</u>	<u>462,408</u>	<u>155,149</u>
<u>\$ 1,122,216</u>	<u>\$ 158,922</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ -</u>	<u>\$ 885,794</u>	<u>\$ 155,149</u>

# City of River Falls

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 December 31, 2021

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital Projects Fund</u>
	<u>Tourism and Economic Development</u>	<u>American Rescue Plan Act</u>	<u>Debt Service Notes</u>	<u>Debt Service Bonds</u>	<u>Capital Equipment</u>
<b>Assets</b>					
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>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
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>
<b>Deferred Inflows of Resources</b>					
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>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	16,130	-	-
Committed	-	257	-	-	1,028,623
Unassigned (deficit)	(672,919)	-	-	(19,863)	-
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>

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**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

	<b>Special Revenue Funds</b>				
	<b>Parking Improvements</b>	<b>Refuse and Solid Waste</b>	<b>Shared Ride Taxi</b>	<b>Environmental Fee</b>	<b>Park Acquisition Fund</b>
<b>Revenues</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	219,337	-	-
Public charges for services	-	950,874	-	96,238	-
Investment income	10	90	21	(8,300)	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>10</u>	<u>950,964</u>	<u>219,358</u>	<u>87,938</u>	<u>-</u>
<b>Expenditures</b>					
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	<u>1,426</u>	<u>929,116</u>	<u>215,299</u>	<u>35,190</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,416)</u>	<u>21,848</u>	<u>4,059</u>	<u>52,748</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	-	-	17,175	-	-
Transfer to other funds	-	(28,205)	(8,649)	(2,502)	-
Total other financing sources (uses)	<u>-</u>	<u>(28,205)</u>	<u>8,526</u>	<u>(2,502)</u>	<u>-</u>
Net change in fund balances	(1,416)	(6,357)	12,585	50,246	-
<b>Fund Balances (Deficit), Beginning</b>	<u>65,484</u>	<u>45,985</u>	<u>(2,386)</u>	<u>3,212,578</u>	<u>1,125</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 64,068</u>	<u>\$ 39,628</u>	<u>\$ 10,199</u>	<u>\$ 3,262,824</u>	<u>\$ 1,125</u>

**Special Revenue Funds**

<b>Tax Increment District #5</b>	<b>Tax Increment District #6</b>	<b>Tax Increment District #8</b>	<b>Tax Increment District #9</b>	<b>Tax Increment District #11</b>	<b>Tax Increment District #12</b>	<b>Tax Increment District #13</b>
\$ 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
<u>5,060</u>	<u>-</u>	<u>-</u>	<u>8,110</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>550,176</u>	<u>198,193</u>	<u>78,403</u>	<u>94,800</u>	<u>19,271</u>	<u>44,148</u>	<u>216,991</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
11,886	650	773	70,649	26,515	945	650
-	-	-	-	245	-	-
185,000	130,000	-	69,928	-	-	-
<u>69,198</u>	<u>33,603</u>	<u>-</u>	<u>3,258</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>266,084</u>	<u>164,253</u>	<u>773</u>	<u>143,835</u>	<u>26,760</u>	<u>945</u>	<u>650</u>
<u>284,092</u>	<u>33,940</u>	<u>77,630</u>	<u>(49,035)</u>	<u>(7,489)</u>	<u>43,203</u>	<u>216,341</u>
-	-	-	73,155	-	-	-
<u>(228,936)</u>	<u>(6,353)</u>	<u>(2,409)</u>	<u>(5,353)</u>	<u>(5,443)</u>	<u>(193)</u>	<u>(203)</u>
<u>(228,936)</u>	<u>(6,353)</u>	<u>(2,409)</u>	<u>67,802</u>	<u>(5,443)</u>	<u>(193)</u>	<u>(203)</u>
55,156	27,587	75,221	18,767	(12,932)	43,010	216,138
<u>(65,694)</u>	<u>(907,007)</u>	<u>(104,883)</u>	<u>(380,966)</u>	<u>(286,559)</u>	<u>(589,658)</u>	<u>41,384</u>
<u>\$ (10,538)</u>	<u>\$ (879,420)</u>	<u>\$ (29,662)</u>	<u>\$ (362,199)</u>	<u>\$ (299,491)</u>	<u>\$ (546,648)</u>	<u>\$ 257,522</u>

## City of River Falls

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

	<b>Special Revenue Funds</b>				
	<b>Tax Increment District #14</b>	<b>Tax Increment District #15</b>	<b>Tax Increment District #16</b>	<b>Tax Increment District #17</b>	<b>Tax Increment District #18</b>
<b>Revenues</b>					
Taxes	\$ 32,749	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Investment income	47	960	1,283	-	-
Miscellaneous	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>32,796</u>	<u>960</u>	<u>1,283</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
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	<u>20,430</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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>
<b>Other Financing Sources (Uses)</b>					
Transfers from other funds	-	-	-	-	-
Transfer to other funds	<u>(910)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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)
<b>Fund Balances (Deficit), Beginning</b>	<u>(258,734)</u>	<u>(10,902)</u>	<u>(12,696)</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ (247,928)</u>	<u>\$ (25,254)</u>	<u>\$ (12,966)</u>	<u>\$ (13,029)</u>	<u>\$ (521,716)</u>

**Special Revenue Funds**

<u>Library</u>	<u>Commercial Revolving Loan Fund</u>	<u>Park Impact Fees</u>	<u>Library Impact Fees</u>	<u>Fire Impact Fees</u>	<u>Housing Reserve</u>	<u>Library Trust Fund</u>
\$ 855,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
366,243	-	-	-	-	-	-
3,491	-	56,293	39,176	32,523	-	-
618	7,827	679	-	-	3,605	240
<u>7,645</u>	<u>58,832</u>	<u>-</u>	<u>24,915</u>	<u>-</u>	<u>30,486</u>	<u>139,234</u>
<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>139,474</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
977,876	-	-	2,988	-	-	-
-	-	-	-	-	329,400	-
-	-	-	-	4,050	-	-
-	-	-	-	27,000	-	-
-	-	-	-	<u>6,083</u>	-	-
<u>977,876</u>	<u>-</u>	<u>-</u>	<u>2,988</u>	<u>37,133</u>	<u>329,400</u>	<u>-</u>
<u>255,121</u>	<u>66,659</u>	<u>56,972</u>	<u>61,103</u>	<u>(4,610)</u>	<u>(295,309)</u>	<u>139,474</u>
-	-	-	-	-	-	-
<u>(173,488)</u>	<u>(1,774)</u>	<u>(5,285)</u>	<u>(95)</u>	<u>(27,536)</u>	<u>(123)</u>	<u>(1,317)</u>
<u>(173,488)</u>	<u>(1,774)</u>	<u>(5,285)</u>	<u>(95)</u>	<u>(27,536)</u>	<u>(123)</u>	<u>(1,317)</u>
81,633	64,885	51,687	61,008	(32,146)	(295,432)	138,157
<u>170,018</u>	<u>(131,326)</u>	<u>385,761</u>	<u>63,892</u>	<u>2,004</u>	<u>757,840</u>	<u>16,992</u>
<u>\$ 251,651</u>	<u>\$ (66,441)</u>	<u>\$ 437,448</u>	<u>\$ 124,900</u>	<u>\$ (30,142)</u>	<u>\$ 462,408</u>	<u>\$ 155,149</u>

## City of River Falls

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

	<u>Special Revenue Funds</u>		<u>Debt Service Funds</u>		<u>Capital Projects Fund</u>
	<u>Tourism and Economic Development</u>	<u>American Rescue Plan Act</u>	<u>Debt Service Notes</u>	<u>Debt Service Bonds</u>	<u>Capital Equipment</u>
<b>Revenues</b>					
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>
<b>Expenditures</b>					
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>
<b>Other Financing Sources (Uses)</b>					
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
<b>Fund Balances (Deficit), Beginning</b>	<u>(667,229)</u>	<u>-</u>	<u>16,412</u>	<u>(29,450)</u>	<u>1,014,427</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ (672,919)</u>	<u>\$ 257</u>	<u>\$ 16,130</u>	<u>\$ (19,863)</u>	<u>\$ 1,028,623</u>

---

**Total  
Nonmajor  
Governmental  
Funds**

\$ 3,432,934  
2,500  
640,082  
  
1,178,595  
9,735  
437,186  
5,701,032  
  
1,426  
1,143,740  
980,864  
  
634,473  
710,003  
  
1,349,798  
532,862  
5,353,166  
  
347,866  
  
281,017  
(601,579)  
  
(320,562)  
  
27,304  
  
2,346,412  
  
\$ 2,373,716

## City of River Falls

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

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 714,471	\$ 151,924	\$ 866,395
Receivables, net:			
Accounts	52,339	343,762	396,101
Prepaid items	<u>475</u>	<u>86</u>	<u>561</u>
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>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	<u>86,834</u>	<u>-</u>	<u>86,834</u>
Total deferred outflows of resources	<u>86,834</u>	<u>-</u>	<u>86,834</u>
<b>Liabilities</b>			
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>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	<u>111,639</u>	<u>-</u>	<u>111,639</u>
Total deferred inflows of resources	<u>111,639</u>	<u>-</u>	<u>111,639</u>
<b>Net Position</b>			
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

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating Revenues</b>			
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>
<b>Operating Expenses</b>			
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>
<b>Nonoperating Revenues (Expenses)</b>			
Investment income	1,111	839	1,950
Interest and fiscal charges	(2,117)	-	(2,117)
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>
<b>Transfers</b>			
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	(227,001)	(222,740)	(449,741)
<b>Net Position, Beginning</b>	<u>7,182,585</u>	<u>917,397</u>	<u>8,099,982</u>
<b>Net Position, Ending</b>	<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

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 576,669	\$ 680,113	\$ 1,256,782
Paid to suppliers for goods and services	(484,324)	(604,502)	(1,088,826)
Paid to employees for services	(141,357)	(8,220)	(149,577)
Net cash flows from operating activities	<u>(49,012)</u>	<u>67,391</u>	<u>18,379</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>1,111</u>	<u>839</u>	<u>1,950</u>
Net cash flows from investing activities	<u>1,111</u>	<u>839</u>	<u>1,950</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to other funds	<u>(39,293)</u>	<u>(13,587)</u>	<u>(52,880)</u>
Net cash flows from noncapital financing activities	<u>(39,293)</u>	<u>(13,587)</u>	<u>(52,880)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Interest paid	(2,117)	-	(2,117)
Proceeds from sale/transfer of capital assets	<u>-</u>	<u>6,718</u>	<u>6,718</u>
Net cash flows from capital and related financing activities	<u>(2,117)</u>	<u>6,718</u>	<u>4,601</u>
Net change in cash and cash equivalents	(89,311)	61,361	(27,950)
<b>Cash and Cash Equivalents, Beginning</b>	<u>803,782</u>	<u>90,563</u>	<u>894,345</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 714,471</u>	<u>\$ 151,924</u>	<u>\$ 866,395</u>
<b>Reconciliation of Operating Loss to Net Cash Flows From Operating Activities</b>			
Operating loss	\$ (189,293)	\$ (221,453)	\$ (410,746)
Nonoperating revenue	2,591	11,461	14,052
Adjustments to reconcile operating loss to net cash flows from operating activities:			
Depreciation	178,384	26,870	205,254
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	6,777	331,330	338,107
Prepaid items	(140)	(86)	(226)
Accounts payable	(13,439)	(3,351)	(16,790)
Accrued liabilities	(114)	(77)	(191)
Due to other funds	-	(77,303)	(77,303)
Customer deposits	(15,000)	-	(15,000)
Pension related deferrals and asset/liability	(18,778)	-	(18,778)
Net cash flows from operating activities	<u>\$ (49,012)</u>	<u>\$ 67,391</u>	<u>\$ 18,379</u>
<b>Noncash Capital and Related Financing Activities</b>			
Capital assets contributed by developers	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Capital assets contributed to the City	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## City of River Falls

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

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 145,081	\$ 446	\$ 131,090
Other receivables	1,754	-	-
Prepaid items	<u>2,540</u>	<u>94</u>	<u>9,215</u>
Total current assets	<u>149,375</u>	<u>540</u>	<u>140,305</u>
Noncurrent assets:			
Net pension asset	-	-	51,895
Capital assets:			
Property and equipment	-	18,075	525,268
Less accumulated depreciation	<u>-</u>	<u>(10,543)</u>	<u>(427,130)</u>
Total noncurrent assets	<u>-</u>	<u>7,532</u>	<u>150,033</u>
Total assets	<u>149,375</u>	<u>8,072</u>	<u>290,338</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	<u>-</u>	<u>-</u>	<u>93,253</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>93,253</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	9,057	163	4,107
Accrued liabilities	-	-	3,712
Due to other funds	<u>-</u>	<u>24,192</u>	<u>-</u>
Total current liabilities	<u>9,057</u>	<u>24,355</u>	<u>7,819</u>
Total liabilities	<u>9,057</u>	<u>24,355</u>	<u>7,819</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	<u>-</u>	<u>-</u>	<u>135,967</u>
<b>Net Position</b>			
Net investment in capital assets	-	7,532	98,138
Restricted for pension	-	-	51,895
Unrestricted (deficit)	<u>140,318</u>	<u>(23,815)</u>	<u>89,772</u>
Total net position	<u>\$ 140,318</u>	<u>\$ (16,283)</u>	<u>\$ 239,805</u>

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<u>Maintenance</u>	<u>Total</u>
\$ 45,361	\$ 321,978
-	1,754
<u>503</u>	<u>12,352</u>
<u>45,864</u>	<u>336,084</u>
77,292	129,187
-	543,343
<u>-</u>	<u>(437,673)</u>
<u>77,292</u>	<u>234,857</u>
<u>123,156</u>	<u>570,941</u>
<u>117,032</u>	<u>210,285</u>
<u>117,032</u>	<u>210,285</u>
352	13,679
4,107	7,819
<u>-</u>	<u>24,192</u>
<u>4,459</u>	<u>45,690</u>
<u>4,459</u>	<u>45,690</u>
<u>169,743</u>	<u>305,710</u>
-	105,670
77,292	129,187
<u>(11,306)</u>	<u>194,969</u>
<u>\$ 65,986</u>	<u>\$ 429,826</u>

## City of River Falls

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

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
<b>Operating Revenues</b>			
Public charges for services	\$ 263,301	\$ -	\$ 38,700
Total operating revenues	<u>263,301</u>	<u>-</u>	<u>38,700</u>
<b>Operating Expenses</b>			
Operation and maintenance	175,507	24,950	603,453
Depreciation expense	<u>-</u>	<u>3,615</u>	<u>49,125</u>
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>
<b>Nonoperating Revenues</b>			
Investment income	581	-	5
Miscellaneous	<u>-</u>	<u>-</u>	<u>44</u>
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>
<b>Transfers</b>			
Transfers from other funds	136,240	21,453	695,310
Transfers to other funds	<u>(228,852)</u>	<u>(1,174)</u>	<u>(28,620)</u>
Total transfers	<u>(92,612)</u>	<u>20,279</u>	<u>666,690</u>
Change in net position	(4,237)	(8,286)	52,861
<b>Net Position (Deficit), Beginning</b>	<u>144,555</u>	<u>(7,997)</u>	<u>186,944</u>
<b>Net Position (Deficit), Ending</b>	<u>\$ 140,318</u>	<u>\$ (16,283)</u>	<u>\$ 239,805</u>

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<u>Maintenance</u>	<u>Total</u>
\$ _____ -	\$ 302,001
_____ -	302,001
290,842	1,094,752
_____ -	52,740
<u>290,842</u>	<u>1,147,492</u>
<u>(290,842)</u>	<u>(845,491)</u>
-	586
<u>76</u>	<u>120</u>
<u>76</u>	<u>706</u>
<u>(290,766)</u>	<u>(844,785)</u>
379,990	1,232,993
<u>(58,352)</u>	<u>(316,998)</u>
<u>321,638</u>	<u>915,995</u>
30,872	71,210
<u>35,114</u>	<u>358,616</u>
<u>\$ 65,986</u>	<u>\$ 429,826</u>

## City of River Falls

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

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
<b>Cash Flows From Operating Activities</b>			
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	<u>-</u>	<u>-</u>	<u>(171,697)</u>
Net cash flows from operating activities	<u>92,075</u>	<u>(20,364)</u>	<u>(571,885)</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>581</u>	<u>-</u>	<u>5</u>
Net cash flows from investing activities	<u>581</u>	<u>-</u>	<u>5</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to/from other funds	<u>(92,612)</u>	<u>20,279</u>	<u>666,690</u>
Net cash flows from noncapital financing activities	<u>(92,612)</u>	<u>20,279</u>	<u>666,690</u>
Net change in cash and cash equivalents	44	(85)	94,810
<b>Cash and Cash Equivalents, Beginning</b>	<u>145,037</u>	<u>531</u>	<u>36,280</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 145,081</u></u>	<u><u>\$ 446</u></u>	<u><u>\$ 131,090</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>			
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	<u>-</u>	<u>-</u>	<u>(12,317)</u>
Net cash flows from operating activities	<u><u>\$ 92,075</u></u>	<u><u>\$ (20,364)</u></u>	<u><u>\$ (571,885)</u></u>
<b>Noncash Capital and Related Financing Activities</b>			
None			

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<u>Maintenance</u>	<u>Total</u>
\$ 1,212	\$ 301,545
(106,019)	(734,829)
<u>(206,353)</u>	<u>(378,050)</u>
<u>(311,160)</u>	<u>(811,334)</u>
<u>-</u>	<u>586</u>
<u>-</u>	<u>586</u>
<u>321,638</u>	<u>915,995</u>
<u>321,638</u>	<u>915,995</u>
10,478	105,247
<u>34,883</u>	<u>216,731</u>
<u>\$ 45,361</u>	<u>\$ 321,978</u>

\$ (290,842)	\$ (845,491)
76	120
-	52,740
1,136	(576)
5	4,096
-	4,500
7	5,679
853	2,310
<u>(22,395)</u>	<u>(34,712)</u>
<u>\$ (311,160)</u>	<u>\$ (811,334)</u>

# City of River Falls

Balance Sheet  
Governmental Component Unit  
December 31, 2021

	<b>Business Improvement District</b>
<b>Assets</b>	
Cash and investments	\$ 57,683
Special assessments receivable	<u>42,000</u>
Total assets	<u>\$ 99,683</u>
<b>Deferred Inflows of Resources</b>	
Unavailable revenue	<u>\$ 42,000</u>
Total deferred inflows of resources	<u>42,000</u>
<b>Fund Balances</b>	
Unassigned	<u>57,683</u>
Total deferred inflows of resources and fund balances	<u>\$ 99,683</u>
<b>Reconciliation of Fund Balance to Net Position</b>	
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.	<u>42,000</u>
Net position at year end	<u>\$ 99,683</u>

## City of River Falls

### Statement of Revenues, Expenditures and Changes in Fund Balance

Governmental Component Unit

Year Ended December 31, 2021

	<b><u>Business Improvement District</u></b>
<b>Revenues</b>	
Special assessments	\$ 42,000
Total revenues	<u>42,000</u>
<b>Expenditures</b>	
Conservation and development	<u>30,396</u>
Total expenditures	<u>30,396</u>
Change in fund balance	11,604
<b>Fund Balance, Beginning</b>	<u>46,079</u>
<b>Fund Balance, Ending</b>	<u><u>\$ 57,683</u></u>
<b>Reconciliation of Change in Fund Balance to Change in Net Position</b>	
Change in fund balance	\$ 11,604
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.	<u>-</u>
Change in net position	<u><u>\$ 11,604</u></u>

# City of River Falls

Electric Utility Plant

Year Ended December 31, 2021

	<b>Balance 1/1/2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 12/31/2021</b>
<b>Hydraulic Production</b>				
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	<u>947,489</u>	<u>-</u>	<u>-</u>	<u>947,489</u>
<b>Other Production</b>				
Land and land rights	25,248	-	-	25,248
Structures and improvements	1,224,829	-	-	1,224,829
Generators	36,000	-	-	36,000
Total production	<u>1,286,077</u>	<u>-</u>	<u>-</u>	<u>1,286,077</u>
<b>Transmission</b>				
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	<u>2,678,777</u>	<u>-</u>	<u>-</u>	<u>2,678,777</u>
<b>Distribution</b>				
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	1,657,862	23,957	10,678	1,671,141
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	<u>25,860,232</u>	<u>1,245,620</u>	<u>433,763</u>	<u>26,672,089</u>

## City of River Falls

### Electric Utility Plant

Year Ended December 31, 2021

	<u>Balance 1/1/2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 12/31/2021</u>
<b>General</b>				
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
	<u>2,632,475</u>	<u>65,802</u>	<u>9,433</u>	<u>2,688,844</u>
Total general				
	<u>2,632,475</u>	<u>65,802</u>	<u>9,433</u>	<u>2,688,844</u>
Total electric utility plant	<u>\$ 33,405,050</u>	<u>\$ 1,311,422</u>	<u>\$ 443,196</u>	<u>\$ 34,273,276</u>

## City of River Falls

Electric Utility Operating Revenues and Expenses  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>		
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	<u>2,622,455</u>	<u>2,103,150</u>
Total sales of electricity	<u>14,842,586</u>	<u>12,976,083</u>
Other operating revenues:		
Forfeited discounts	24,931	24,184
Miscellaneous service revenues	3,741	1,804
Rent from electric property	39,211	38,052
Other miscellaneous revenues	<u>261,985</u>	<u>323,187</u>
Total operating revenues	<u>15,172,454</u>	<u>13,363,310</u>
<b>Operating Expenses</b>		
Power production:		
Hydraulic power generation		
Operation:		
Operating and supervision	273,367	325,342
Hydraulic	6,814	11,750
Miscellaneous	<u>32,009</u>	<u>20,640</u>
Total hydraulic power generation	<u>312,190</u>	<u>357,732</u>
Purchased power	<u>10,149,386</u>	<u>9,082,812</u>
Total power production	<u>10,461,576</u>	<u>9,440,544</u>
Transmission		
Operation:		
Station	3,416	1,864
Overhead lines	39,771	37,226
Maintenance:		
Overhead lines	<u>4,247</u>	<u>8,244</u>
Total transmission	<u>47,434</u>	<u>47,334</u>

## City of River Falls

Electric Utility Operating Revenues and Expenses  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Distribution:		
Operation:		
Operation supervision and engineering	\$ 165,444	\$ 128,780
Station	83,933	50,280
Overhead line	129,678	129,610
Underground line	140,596	129,105
Street lighting and signal	1,931	3,688
Meter expenses	78,656	60,348
Miscellaneous	237,165	134,576
Maintenance:		
Structures	31,459	22,510
Station equipment	20,760	10,183
Overhead line	27,139	43,718
Underground line	64,978	54,845
Line transformers	15,029	15,597
Street lighting and signal	<u>16,239</u>	<u>17,070</u>
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	<u>165,945</u>	<u>111,350</u>
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	<u>62,633</u>	<u>65,044</u>
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	12,600,463	11,510,820
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

	<b>Balance 1/1/2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 12/31/2021</b>
<b>Source of Supply</b>				
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>
<b>Pumping</b>				
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>
<b>Water Treatment</b>				
Water treatment equipment	49,671	-	-	49,671
<b>Transmission and Distribution</b>				
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	831,668	-	-	831,668
Total transmission and distribution plant	<u>18,088,424</u>	<u>133,057</u>	<u>17,336</u>	<u>18,204,145</u>
<b>General</b>				
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

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>		
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	<u>325,833</u>	<u>247,770</u>
Total metered sales	1,347,869	1,230,889
Private fire protection	68,385	63,810
Public fire protection	<u>385,348</u>	<u>376,219</u>
Total sales of water	<u>1,801,602</u>	<u>1,670,918</u>
Other operating revenues:		
Forfeited discounts	2,685	1,108
Rent from water property	131,385	124,914
Other miscellaneous revenues	<u>43,742</u>	<u>52,605</u>
Total operating revenues	<u>1,979,414</u>	<u>1,849,545</u>
<b>Operating Expenses</b>		
Pumping:		
Operation		
Operation supervision and engineering	139	1,376
Fuel or purchased power for pumping	84,033	73,064
Pumping labor	37,005	34,017
Maintenance:		
Structures and improvements	11,348	5,097
Power production equipment	969	5,617
Pumping equipment	<u>26,550</u>	<u>22,570</u>
Total pumping	<u>160,044</u>	<u>141,741</u>
Water treatment:		
Operation		
Operation supervision and engineering	1,753	1,713
Chemicals	34,076	26,675
Operation labor	17,306	31,632
Maintenance:		
Water treatment equipment	<u>18,723</u>	<u>20,718</u>
Total water treatment	<u>71,858</u>	<u>80,738</u>

## City of River Falls

### Water Utility Operating Revenues and Expenses

Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Operating Expenses</b>		
Transmission and distribution:		
Operation		
Operation supervision and engineering	\$ 65,434	\$ 49,530
Storage facilities	752	186
Transmission and distribution lines	69,264	62,984
Meters	33,210	18,837
Customer installations	19,550	14,984
Miscellaneous	60,302	53,173
Maintenance:		
Supervision and engineering	2,245	4,014
Structures and improvements	4,686	5,182
Reservoirs and standpipes	11,988	6,864
Mains	35,998	18,763
Services	27,026	22,909
Meters	-	183
Hydrants	5,308	18,242
Total transmission and distribution	<u>335,763</u>	<u>275,851</u>
Customer accounts:		
Meter reading	5,128	4,503
Accounting and collecting labor	<u>71,503</u>	<u>66,759</u>
Total customer accounts	<u>76,631</u>	<u>71,262</u>
Sales:		
Advertising	<u>2,415</u>	<u>2,347</u>
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	<u>32,080</u>	<u>30,300</u>
Total administrative and general	<u>245,203</u>	<u>226,447</u>
Taxes	<u>21,901</u>	<u>20,393</u>
Total operation and maintenance	913,815	818,779
Depreciation	<u>476,517</u>	<u>468,907</u>
Total operating expenses	<u>1,390,332</u>	<u>1,287,686</u>
Operating income	<u>\$ 589,082</u>	<u>\$ 561,859</u>

# City of River Falls

Sewer Utility Plant

Year Ended December 31, 2021

	<b>Balance 1/1/2021</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance 12/31/2021</b>
<b>Collecting System</b>				
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	<u>17,867,521</u>	<u>165,408</u>	<u>11,553</u>	<u>18,021,376</u>
<b>Collecting System Pumping</b>				
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	<u>258,339</u>	<u>-</u>	<u>-</u>	<u>258,339</u>
Total collecting system pumping	<u>1,030,863</u>	<u>-</u>	<u>57,161</u>	<u>973,702</u>
<b>Treatment and Disposal</b>				
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	<u>52,434</u>	<u>-</u>	<u>52,434</u>	<u>-</u>
Total treatment and disposal	<u>11,258,500</u>	<u>1,909,755</u>	<u>1,648,094</u>	<u>11,520,161</u>
<b>General</b>				
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	<u>265,830</u>	<u>-</u>	<u>-</u>	<u>265,830</u>
Total general	<u>3,226,091</u>	<u>-</u>	<u>-</u>	<u>3,226,091</u>
<b>Intangibles</b>	<u>98,839</u>	<u>-</u>	<u>7,487</u>	<u>91,352</u>
Total sewer utility plant	<u>\$ 33,481,814</u>	<u>\$ 2,075,163</u>	<u>\$ 1,724,295</u>	<u>\$ 33,832,682</u>

## City of River Falls

Sewer Utility Operating Revenues and Expenses  
Years Ended December 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Operating Revenues</b>		
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	<u>289,806</u>	<u>235,739</u>
Total wastewater sales	<u>3,345,238</u>	<u>3,189,362</u>
Other operating revenues:		
Forfeited discounts	5,606	2,340
Other miscellaneous revenues	<u>34,523</u>	<u>13,583</u>
Total operating revenues	<u>3,385,367</u>	<u>3,205,285</u>
<b>Operating Expenses</b>		
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	<u>13,877</u>	<u>11,293</u>
Total operations	<u>785,910</u>	<u>776,383</u>
Maintenance:		
Collection system	85,006	305,462
Pumping equipment	30,964	29,187
Treatment and disposal plant equipment	86,222	142,245
General plant structures equipment	<u>102,018</u>	<u>71,719</u>
Total maintenance	<u>304,210</u>	<u>548,613</u>
Customer accounts:		
Accounting and collecting labor	<u>160,280</u>	<u>133,598</u>
Sales:		
Advertising	<u>2,515</u>	<u>2,447</u>
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

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	<u>2021</u>	<u>2020</u>
<b>Operating Expenses</b>		
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	1,681,709	1,929,793
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

<b>Description</b>	<b>Insurer</b>	<b>Policy Number</b>	<b>Coverage Limits</b>	<b>Deductible</b>	<b>Policy Period</b>
Property	Travelers Prop Casualty Co of America	630-7J057507	\$73,169,721	\$5,000 - \$100,000	8/1/21-8/1/22
Crime	Travelers Prop Casualty Co of America	630-7J057507	500,000	\$5,000	8/1/21-8/1/22
Equipment Floater	Travelers Prop Casualty Co of America	630-7J057507	\$3,849,437	\$1,000 - \$50,000	8/1/21-8/1/22
General Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	NA	8/1/21-8/1/22
Law Enforcement Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$5,000	8/1/21-8/1/22
Employee Benefits	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$3,000,000	\$1,000	8/1/21-8/1/22
Management Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$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-51M85218	\$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-91M84121	\$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-TIL-21	\$50,000,000	\$5,000 - \$50,000	8/1/21-8/1/22
Cyber & Privacy Liability	Axis Insurance Company	P-001-000031856-04	\$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

	<b>Average Customer Count</b>	<b>Gallons Sold (000's)</b>
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
	<u>5,935</u>	<u>415,194</u>

Electric Utility Revenue Bond Disclosure

Electric Sales to General Customers

Year Ended December 31, 2021

	<b>Average Customer Count</b>	<b>Kilowatt Hours (000's)</b>
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
	<u>7,034</u>	<u>128,158</u>