

# **City of River Falls**

Financial Statements and  
Supplementary Information

December 31, 2022

# 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 (the City), as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component unit and remaining fund information of the City of River Falls as of December 31, 2022 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 the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 1, the City adopted the provisions of GASB Statement No. 87, *Leases*, effective January 1, 2022. Our opinions are not modified with respect to this matter.

### Responsibilities of Management for the Financial Statements

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

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, 2022 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, 2022 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, 2022, 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, 2022.

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, 2021 (not presented herein), and have issued our report thereon dated July 20, 2022, 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, 2021 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 2021 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2021 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 basic financial statements or to those 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.

*Baker Tilly US, LLP*

Eau Claire, Wisconsin  
September 19, 2023

**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, 2022. 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.

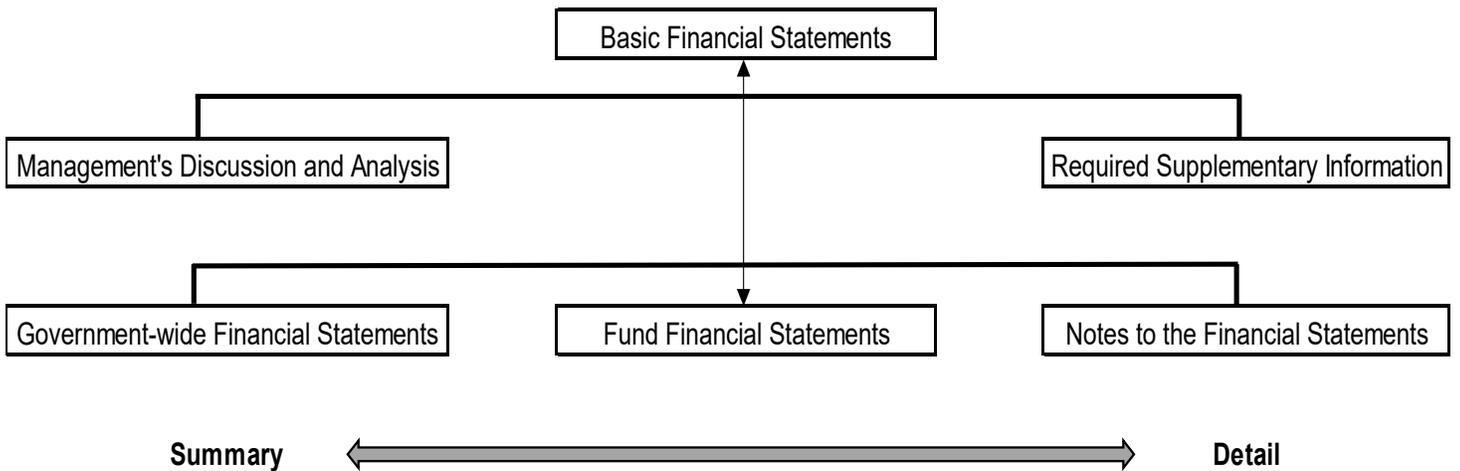
**FINANCIAL HIGHLIGHTS**

- The City of River Falls concluded the fiscal year with an accumulated total net position of \$129.8 million, an increase of \$1.0 million from the previous year. This increase is an aggregate result of \$0.1 million decreased net position in governmental activities and \$1.1 million increased net position in business-type activities.
- At the close of 2022, the General Fund ending fund balance was \$12.3 million, a decrease of \$0.4 million.
- The City’s enterprise funds closed the year with operating income of \$2.5 million, and a change in net position of \$1.5 million.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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



The basic financial statements include two kinds of statements.

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

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

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

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

The government-wide financial statements include not only the City of River Falls itself (known as the *primary government*), but also legally distinct entities for which the City has financial responsibility and accountability, known as component units. The component unit of the City is the River Falls Business Improvement District. This entity is described in Note 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 2022: 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 – 66 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 67 – 71 of this report; supplementary information can be found on pages 72 – 101 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

Total net position increased by \$1.0 million to \$129.8 million at the close of fiscal year ending December 31, 2022. This increase is an aggregate result of \$0.1 million decreased net position in governmental activities and \$1.1 million increased net position in business-type activities.

Net investment of the primary government in capital assets comprises \$104.9 million, or 80.8% 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 \$12.3 million, or 9.5% 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	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Current and Other Assets	\$ 33,499,358	\$ 31,122,379	\$ 21,801,714	\$ 14,318,568	\$ 55,301,072	\$ 45,440,947
Capital Assets	<u>66,214,890</u>	<u>66,238,300</u>	<u>68,085,824</u>	<u>64,363,235</u>	<u>134,300,714</u>	<u>130,601,535</u>
Total Assets	<u>99,714,248</u>	<u>97,360,679</u>	<u>89,887,538</u>	<u>78,681,803</u>	<u>189,601,786</u>	<u>176,042,482</u>
Deferred Charge on refunding	188,158	218,263	-	29,541	188,158	247,804
Deferred Pension and OPEB	<u>6,854,792</u>	<u>4,768,103</u>	<u>2,318,557</u>	<u>1,538,925</u>	<u>9,173,349</u>	<u>6,307,028</u>
Deferred Outflows of Resources	<u>7,042,950</u>	<u>4,986,366</u>	<u>2,318,557</u>	<u>1,568,466</u>	<u>9,361,507</u>	<u>6,554,832</u>
Current Liabilities	6,336,373	5,129,105	2,232,903	1,623,072	8,569,276	6,752,177
Noncurrent Liabilities	<u>21,144,880</u>	<u>20,676,576</u>	<u>17,338,048</u>	<u>9,216,066</u>	<u>38,482,928</u>	<u>29,892,642</u>
Total Liabilities	<u>27,481,253</u>	<u>25,805,681</u>	<u>19,570,951</u>	<u>10,839,138</u>	<u>47,052,204</u>	<u>36,644,819</u>
Deferred Unearned revenues	9,589,634	8,835,737	-	-	9,589,634	8,835,737
Deferred Pension and OPEB	8,238,464	6,196,834	2,855,061	2,086,091	11,093,525	8,282,925
Deferred Lease related amounts	<u>21,519</u>	<u>-</u>	<u>1,382,811</u>	<u>-</u>	<u>1,404,330</u>	<u>-</u>
Deferred Inflows of Resources	<u>17,849,617</u>	<u>15,032,571</u>	<u>4,237,872</u>	<u>2,086,091</u>	<u>22,087,489</u>	<u>17,118,662</u>
Net Investment in Capital Assets <sup>1</sup>	<u>49,661,483</u>	<u>48,798,825</u>	<u>56,597,224</u>	<u>56,177,716</u>	<u>104,877,855</u>	<u>103,265,817</u>
Restricted	<u>9,261,695</u>	<u>8,356,053</u>	<u>3,369,874</u>	<u>3,199,578</u>	<u>12,631,569</u>	<u>11,555,631</u>
Unrestricted <sup>1</sup>	<u>2,503,150</u>	<u>4,353,915</u>	<u>8,430,174</u>	<u>7,947,746</u>	<u>12,314,176</u>	<u>14,012,385</u>
Total Net Position	<u>\$ 61,426,328</u>	<u>\$ 61,508,793</u>	<u>\$ 68,397,272</u>	<u>\$ 67,325,040</u>	<u>\$ 129,823,600</u>	<u>\$ 128,833,833</u>
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	6%	11%	35%	61%	18%	26%

<sup>1</sup> See Note I.D. 3 equity classifications for detailed information of 2022 & 2021 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>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$2,133,383	\$1,970,713	\$23,398,229	\$21,456,858	\$25,531,612	\$23,427,571
Operating grants and contributions	1,899,155	2,120,182	-	-	1,899,155	2,120,182
Capital grants and contributions	30,330	239,340	1,047,975	742,309	1,078,305	981,649
General revenues:						
Property taxes	8,827,465	8,602,918	-	-	8,827,465	8,602,918
Other taxes	243,640	235,189	-	-	243,640	235,189
Intergovernmental	2,422,375	2,382,232	5,199	-	2,427,574	2,382,232
Investment earnings	85,316	77,772	220,071	30,068	305,387	107,840
Miscellaneous	<u>269,621</u>	<u>460,137</u>	<u>28,176</u>	<u>43,441</u>	<u>297,797</u>	<u>503,578</u>
<b>Total revenues</b>	<b>15,911,285</b>	<b>16,088,483</b>	<b>24,699,650</b>	<b>22,272,676</b>	<b>40,610,935</b>	<b>38,361,159</b>
<b>Expenses</b>						
General government	2,603,529	2,473,975	-	-	2,603,529	2,473,975
Public safety	4,714,960	3,812,876	-	-	4,714,960	3,812,876
Public works	4,349,843	3,878,945	-	-	4,349,843	3,878,945
Health services	18,059	19,886	-	-	18,059	19,886
Leisure	2,513,112	2,235,832	-	-	2,513,112	2,235,832
Conservation and development	2,943,668	1,321,400	-	-	2,943,668	1,321,400
Interest and fiscal charges	564,745	636,950	-	-	564,745	636,950
Electric utility	-	-	15,677,072	14,025,540	15,677,072	14,025,540
Water utility	-	-	1,883,255	1,493,204	1,883,255	1,493,204
Sewer utility	-	-	3,147,486	2,746,450	3,147,486	2,746,450
Storm water utility	-	-	584,789	783,717	584,789	783,717
Ambulance service	-	-	<u>620,650</u>	<u>565,203</u>	<u>620,650</u>	<u>565,203</u>
<b>Total expenses</b>	<b><u>17,707,916</u></b>	<b><u>14,379,864</u></b>	<b><u>21,913,252</u></b>	<b><u>19,614,114</u></b>	<b><u>39,621,168</u></b>	<b><u>33,993,978</u></b>
Change in net position before transfers	(1,796,631)	1,708,619	2,786,398	2,658,562	989,767	4,367,181
Transfers	<u>1,714,166</u>	<u>1,656,835</u>	<u>(1,714,166)</u>	<u>(1,656,835)</u>	-	-
Increase in net position	(82,465)	3,365,454	1,072,232	1,001,727	989,767	4,367,181
Net position January 1	<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>
Net position December 31	<u>\$ 61,426,328</u>	<u>\$ 61,508,793</u>	<u>\$ 68,397,272</u>	<u>\$ 67,325,040</u>	<u>\$ 129,823,600</u>	<u>\$ 128,833,833</u>

## Governmental Activities:

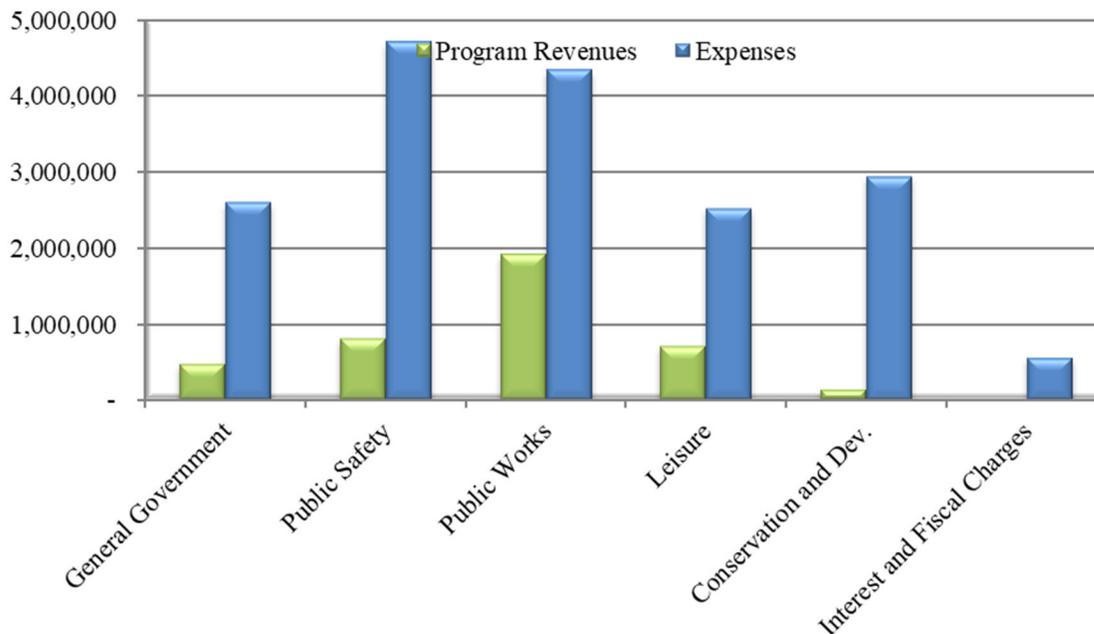
At the end of 2022, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of \$106.8 million and total liabilities and deferred inflows of resources of \$45.4 million, resulting in a net position of \$61.4 million. The net position is allocated with \$49.6 million representing capital assets net of related debt, \$9.3 million held for restricted purposes, and \$2.5 million of unrestricted net position. (Pages 1 – 2)

Revenues for the City's governmental activities, excluding transfers from other funds, totaled \$15.9 million, with property taxes encompassing 55.5% of the total. Intergovernmental revenues include \$2.4 million in state shared revenue and grants which account for 15.2% of annual revenues. Operating grants and capital grants and contributions totaled \$1.9 million which factors 11.9% of the total. Charges for services totaled \$2.1 million and accounts for 13.4% of total revenues, which include solid waste, environmental fees, permits, licenses and miscellaneous fees.

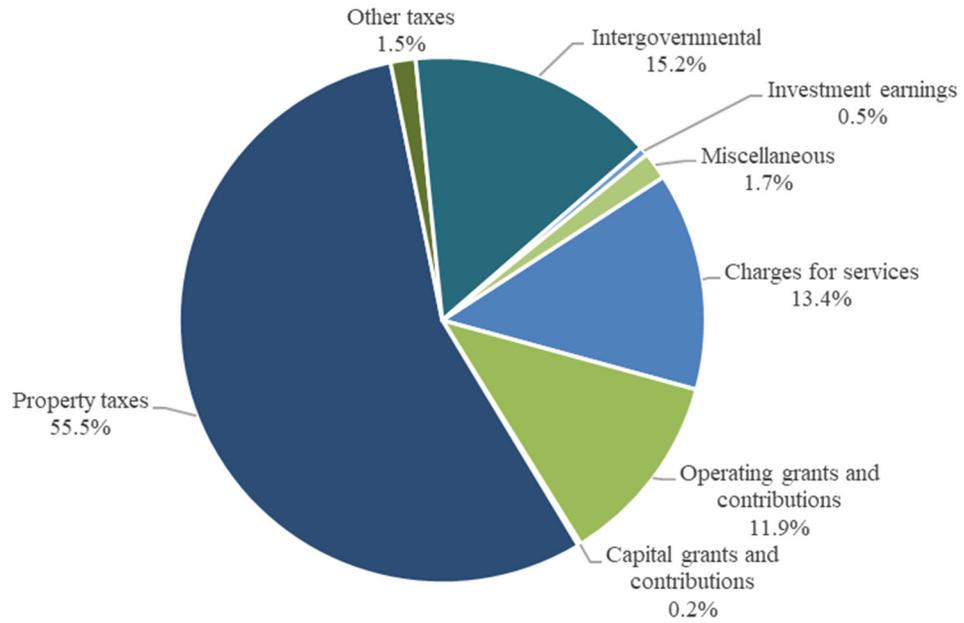
Governmental activities expensed \$17.7 million in 2022 compared to \$14.4 million in 2021. Public Safety and Public Works represent 51.2% of total expenses.

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



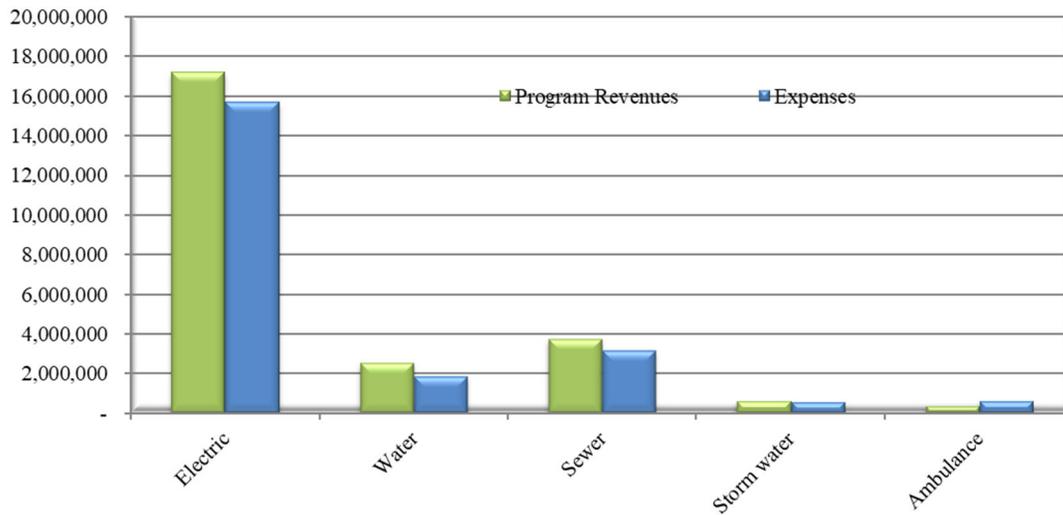
## Program and General Revenues by Source - Governmental Activities



### 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 \$1.1 million. Due to the enterprise nature of these activities, 94.7% of total revenues are generated by charges for services. The Electric fund accounted for 72.8% of this total, followed by Sewer with 14.6% of the enterprise services revenue. In 2022, business-type activities recognized \$1.0 million in capital grants and contributions, primarily from construction contribution. The graph on the following page outlines the revenues and expenditures by fund.

### Business-Type Activities Expenses and Revenues



Key elements of the business-type activities in 2022 are as follows:

#### Electric

- The utility closed the year with net position of \$22.5 million.
  - Of this amount, \$17.2 million is net investment in capital assets.
  - Unrestricted net position was \$4.4 million.
  - Restricted net position was \$0.9 million.

#### Water

- The utility closed the year with net position of \$17.7 million.
  - Of this amount, \$13.2 million is net investment in capital assets.
  - Unrestricted net position was \$4.2 million.
  - Restricted net position was \$0.3 million.

## **Sewer**

- The utility closed the year with net position of \$23.4 million.
  - Of this amount, \$19.2 million is net investment in capital assets.
  - Unrestricted net position was \$2.1 million.
  - Restricted net position was \$2.1 million.

## **Nonmajor Enterprise Funds**

### **Storm Water**

- The utility closed the year with net position of \$6.9 million.
  - Of this amount, \$6.7 million is net investment in capital assets.
  - Unrestricted net position was \$0.1 million.
  - Restricted net position was \$0.1 million.

### **Ambulance**

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

## **FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

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

### **Governmental Funds**

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

As the City concluded the year, its governmental funds reported a combined fund balance of \$10.7 million; a decrease of \$0.1 million from the prior year. The General fund ended the year with \$6.0 million in unassigned fund balance which is available to meet the City's current and future needs. An additional \$6.4 million is considered non-spendable in the General Fund which consists mainly of advances to other funds.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### **Capital Assets**

The City's investment in capital assets for its governmental and business-type activities on December 31, 2022, amounted to \$134.3 million (net of accumulated depreciation), an increase of \$3.7 million from 2021. 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 39-43 in the notes to the financial statements.

### **Long-Term Debt**

As of December 31, 2022, the City had \$24.0 million of general obligation bonds and promissory notes outstanding. Total general obligation debt of \$4.6 million will be paid from business-type activity revenues. Amounts due within one year is \$2.3 million.

As of December 31, 2022, the City had \$11.8 million of revenue bonds outstanding. The total revenue bond debt will be paid from business-type activity revenues. Amounts due within one year is \$0.9 million.

The City issued the following long-term debt in 2022:

- \$750,000 of 2022A Taxable General Obligation Promissory Notes
- \$749,000 of 2022B Taxable General Obligation Promissory Notes
- \$5,155,000 of 2023C General Obligation Sewer System Improvement Bonds
- \$4,845,000 of 2023D Water System Revenue Bonds

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, 2022, the City's total amount applicable to debt is 32.2% of the total limit of \$74,730,770. The net general obligation debt per capita equaled \$1,490 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 47.

## **ECONOMIC FACTORS AND THE 2021-2022 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 2022 final assessed values of \$1,354,780,100 reflects the results of a full community revaluation of assessed property values. The ratio of assessed values to equalized (market) was at 100% for 2021 and 92% for 2022.

### **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, 2022

	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	\$ 16,723,276	\$ 14,885,217	\$ 31,608,493	\$ 63,840
Receivables, net:				
Taxes	9,605,939	-	9,605,939	-
Accounts	392,084	2,056,396	2,448,480	-
Special assessments	53,733	-	53,733	-
Accrued interest	10,303	-	10,303	42,000
Loans	614,653	-	614,653	-
Leases	21,519	1,382,811	1,404,330	-
Other receivables	-	69,118	69,118	-
Inventories and prepaid items	158,744	1,131,144	1,289,888	-
Due from other governments	4,887	-	4,887	-
Internal balances	2,565,121	(2,565,121)	-	-
Other assets	-	170,804	170,804	-
Restricted assets:				
Cash and investments	-	3,391,888	3,391,888	-
Net pension asset	3,349,099	1,279,457	4,628,556	-
Capital assets:				
Land	16,665,519	365,000	17,030,519	-
Construction in progress	1,043,447	6,513,370	7,556,817	-
Other capital assets, net of depreciation	48,505,924	61,207,454	109,713,378	-
Total assets	<u>99,714,248</u>	<u>89,887,538</u>	<u>189,601,786</u>	<u>105,840</u>
<b>Deferred Outflows of Resources</b>				
Deferred charge on refunding	188,158	-	188,158	-
Pension related amounts	6,731,347	2,291,308	9,022,655	-
OPEB related amounts	123,445	27,249	150,694	-
Total deferred outflows of resources	<u>7,042,950</u>	<u>2,318,557</u>	<u>9,361,507</u>	<u>-</u>

See notes to financial statements

# City of River Falls

Statement of Net Position  
December 31, 2022

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Business Improvement District
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>				
<b>Liabilities</b>				
Accounts payable	\$ 679,123	\$ 1,982,486	\$ 2,661,609	\$ -
Accrued liabilities	177,013	69,474	246,487	-
Accrued interest	170,223	122,075	292,298	-
Deposits	105,378	58,868	164,246	-
Unearned revenues	5,204,636	-	5,204,636	-
Noncurrent liabilities:				
Due within one year	2,045,151	1,604,796	3,649,947	-
Due in more than one year	19,099,729	15,733,252	34,832,981	-
Total liabilities	<u>27,481,253</u>	<u>19,570,951</u>	<u>47,052,204</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Unearned revenues	9,589,634	-	9,589,634	-
Pension related amounts	8,085,560	2,821,308	10,906,868	-
OPEB related amounts	152,904	33,753	186,657	-
Lease related amounts	21,519	1,382,811	1,404,330	-
Total deferred inflows of resources	<u>17,849,617</u>	<u>4,237,872</u>	<u>22,087,489</u>	<u>-</u>
<b>Net Position</b>				
Net investment in capital assets	49,661,483	56,597,224	104,877,855	-
Restricted for:				
Debt service	-	637,281	637,281	-
Capital asset repair and replacement	-	1,011,022	1,011,022	-
Impact fee projects	592,234	442,114	1,034,348	-
Library trust	145,777	-	145,777	-
Housing	899,180	-	899,180	-
Parking improvements	62,785	-	62,785	-
Environmental fee	3,255,785	-	3,255,785	-
Library	313,406	-	313,406	-
Shared ride taxi	15,291	-	15,291	-
Tax increment districts	533,195	-	533,195	-
Pension	3,349,099	1,279,457	4,628,556	-
Loan programs	94,943	-	94,943	-
Unrestricted	<u>2,503,150</u>	<u>8,430,174</u>	<u>12,314,176</u>	<u>105,840</u>
Total net position	<u>\$ 61,426,328</u>	<u>\$ 68,397,272</u>	<u>\$ 129,823,600</u>	<u>\$ 105,840</u>

See notes to financial statements

# City of River Falls

## Statement of Activities

Year Ended December 31, 2022

Functions/Programs	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Business Improvement District	
					Governmental Activities	Business-Type Activities		Total
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 2,603,529	\$ 460,063	\$ 22,795	\$ -	\$ (2,120,671)	\$ -	\$ (2,120,671)	\$ -
Public safety	4,714,960	147,897	661,546	-	(3,905,517)	-	(3,905,517)	-
Public works	4,349,843	1,056,099	825,715	30,330	(2,437,699)	-	(2,437,699)	-
Health services	18,059	-	-	-	(18,059)	-	(18,059)	-
Leisure activities	2,513,112	329,926	389,099	-	(1,794,087)	-	(1,794,087)	-
Conservation and development	2,943,668	139,398	-	-	(2,804,270)	-	(2,804,270)	-
Interest and fiscal charges	564,745	-	-	-	(564,745)	-	(564,745)	-
Total governmental activities	17,707,916	2,133,383	1,899,155	30,330	(13,645,048)	-	(13,645,048)	-
Business-type activities:								
Electric utility	15,677,072	17,044,924	-	164,604	-	1,532,456	1,532,456	-
Water utility	1,883,255	2,008,153	-	550,261	-	675,159	675,159	-
Sewer utility	3,147,486	3,414,968	-	333,110	-	600,592	600,592	-
Stormwater	584,789	591,152	-	-	-	6,363	6,363	-
Ambulance	620,650	339,032	-	-	-	(281,618)	(281,618)	-
Total business-type activities	21,913,252	23,398,229	-	1,047,975	-	2,532,952	2,532,952	-
Total primary government	\$ 39,621,168	\$ 25,531,612	\$ 1,899,155	\$ 1,078,305	(13,645,048)	2,532,952	(11,112,096)	-
<b>Component Unit</b>								
Business improvement district	\$ 35,843	\$ 42,000	\$ -	\$ -	-	-	-	6,157
<b>General Revenues</b>								
Taxes:								
Property taxes, levied for general purposes					6,736,492	-	6,736,492	-
Property taxes, levied for debt service					400,458	-	400,458	-
Property taxes, levied for TIF districts					1,690,515	-	1,690,515	-
Other taxes					243,640	-	243,640	-
Intergovernmental revenues not restricted to specific programs					2,422,375	5,199	2,427,574	-
Investment income					85,316	220,071	305,387	-
Miscellaneous					269,621	28,176	297,797	-
Total general revenues					11,848,417	253,446	12,101,863	-
<b>Transfers</b>								
Change in net position					(82,465)	1,072,232	989,767	6,157
<b>Net Position, Beginning</b>								
					61,508,793	67,325,040	128,833,833	99,683
<b>Net Position, Ending</b>								
					\$ 61,426,328	\$ 68,397,272	\$ 129,823,600	\$ 105,840

See notes to financial statements

# City of River Falls

Balance Sheet -  
Governmental Funds  
December 31, 2022

	<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	\$ 5,556,623	\$ 293,351	\$ 2,192,085	\$ 8,405,874	\$ 16,447,933
Receivables:					
Taxes	5,177,165	519,047	330,000	3,579,727	9,605,939
Accounts	243,655	-	-	148,429	392,084
Special assessments	46,099	-	7,634	-	53,733
Accrued interest	6,883	-	-	3,420	10,303
Loans	-	-	100,050	514,603	614,653
Prepaid items	53,675	-	-	3,522	57,197
Due from other funds	820,153	-	-	-	820,153
Due from other governments	4,887	-	-	-	4,887
Advances to other funds	<u>6,319,366</u>	<u>-</u>	<u>500,000</u>	<u>1,500,000</u>	<u>8,319,366</u>
Total assets	<u>\$ 18,228,506</u>	<u>\$ 812,398</u>	<u>\$ 3,129,769</u>	<u>\$ 14,155,575</u>	<u>\$ 36,326,248</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 275,072	\$ -	\$ 148,054	\$ 227,912	\$ 651,038
Accrued liabilities	155,504	-	-	11,475	166,979
Deposits	81,610	-	19,078	4,690	105,378
Unearned revenues	-	-	3,585,777	1,618,859	5,204,636
Due to other funds	-	-	-	730,194	730,194
Advances from other funds	<u>-</u>	<u>3,422,711</u>	<u>-</u>	<u>4,896,655</u>	<u>8,319,366</u>
Total liabilities	<u>512,186</u>	<u>3,422,711</u>	<u>3,752,909</u>	<u>7,489,785</u>	<u>15,177,591</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	5,153,226	519,047	337,634	3,579,727	9,589,634
Unavailable revenues	<u>216,191</u>	<u>-</u>	<u>104,300</u>	<u>516,853</u>	<u>837,344</u>
Total deferred inflows of resources	<u>5,369,417</u>	<u>519,047</u>	<u>441,934</u>	<u>4,096,580</u>	<u>10,426,978</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	6,373,041	-	500,000	3,522	6,876,563
Restricted	-	-	-	6,319,077	6,319,077
Committed	-	-	-	771,154	771,154
Unassigned (deficit)	<u>5,973,862</u>	<u>(3,129,360)</u>	<u>(1,565,074)</u>	<u>(4,524,543)</u>	<u>(3,245,115)</u>
Total fund balances (deficit)	<u>12,346,903</u>	<u>(3,129,360)</u>	<u>(1,065,074)</u>	<u>2,569,210</u>	<u>10,721,679</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 18,228,506</u>	<u>\$ 812,398</u>	<u>\$ 3,129,769</u>	<u>\$ 14,155,575</u>	<u>\$ 36,326,248</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, 2022

<b>Total Fund Balances, Governmental Funds</b>	<b>\$ 10,721,679</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.	66,214,890
Less internal service fund included below	(54,598)
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.	837,344
The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	3,349,099
Less internal service fund included below	(192,064)
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	6,731,347
Deferred outflows, OPEB related amounts	123,445
Less internal service fund included below	(332,742)
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	(8,085,560)
Deferred inflows, OPEB related amounts	(152,904)
Add internal service fund included below	418,366
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.	(545,272)
Internal service funds are reported in the statement of net position as governmental activities.	2,953,789
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	(19,436,278)
Compensated absences	(263,717)
Add internal service compensated absences	21,182
Accrued interest	(170,223)
Landfill postclosure care cost	(99,336)
Other postemployment benefits	(612,119)
<b>Net Position of Governmental Activities</b>	<b><u>\$ 61,426,328</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, 2022

	<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	\$ 4,922,083	\$ 681,756	\$ 234,719	\$ 3,232,684	\$ 9,071,242
Special assessments	27	-	4,279	2,500	6,806
Intergovernmental	3,671,011	43	10,000	610,257	4,291,311
Licenses and permits	465,178	-	-	-	465,178
Fines, forfeitures and penalties	134,462	-	-	-	134,462
Public charges for services	371,074	-	-	1,255,230	1,626,304
Intergovernmental charges for services	13,741	-	-	-	13,741
Investment income (loss)	(13,735)	7,497	32,495	52,236	78,493
Miscellaneous	<u>102,215</u>	<u>75,746</u>	<u>110,394</u>	<u>264,491</u>	<u>552,846</u>
Total revenues	<u>9,666,056</u>	<u>765,042</u>	<u>391,887</u>	<u>5,417,398</u>	<u>16,240,383</u>
<b>Expenditures</b>					
Current:					
General government	2,038,620	-	-	-	2,038,620
Public safety	4,534,589	-	-	2,233	4,536,822
Public works	2,378,973	-	-	1,232,455	3,611,428
Health services	351	-	-	-	351
Leisure activities	948,411	-	-	1,096,659	2,045,070
Conservation and development	1,102,791	4,635	-	287,337	1,394,763
Capital outlay	-	220,034	1,453,519	2,432,338	4,105,891
Debt service:					
Principal retirement	256,988	245,000	31,275	1,262,441	1,795,704
Interest and fiscal charges	<u>34,385</u>	<u>110,464</u>	<u>4,268</u>	<u>475,261</u>	<u>624,378</u>
Total expenditures	<u>11,295,108</u>	<u>580,133</u>	<u>1,489,062</u>	<u>6,788,724</u>	<u>20,153,027</u>
Excess (deficiency) of revenues over expenditures	<u>(1,629,052)</u>	<u>184,909</u>	<u>(1,097,175)</u>	<u>(1,371,326)</u>	<u>(3,912,644)</u>
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	-	-	749,000	1,655,000	2,404,000
Premium on debt issued	-	-	-	29,159	29,159
Transfers from other funds	1,949,615	-	42,000	315,964	2,307,579
Transfers to other funds	(724,511)	(29,311)	(55,094)	(777,959)	(1,586,875)
Property sales	<u>16,414</u>	<u>-</u>	<u>277,663</u>	<u>344,656</u>	<u>638,733</u>
Total other financing sources (uses)	<u>1,241,518</u>	<u>(29,311)</u>	<u>1,013,569</u>	<u>1,566,820</u>	<u>3,792,596</u>
Net change in fund balances	(387,534)	155,598	(83,606)	195,494	(120,048)
<b>Fund Balances (Deficit), Beginning</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>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 12,346,903</u>	<u>\$ (3,129,360)</u>	<u>\$ (1,065,074)</u>	<u>\$ 2,569,210</u>	<u>\$ 10,721,679</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, 2022

**Net Change in Fund Balances, Total Governmental Funds** \$ (120,048)

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	4,105,891
Some items reported as capital outlay were not capitalized	(1,812,042)
Some items reported as operating expenditures in the fund financial statements are capitalized in the government-wide statements	7,788
Depreciation is reported in the government-wide financial statements	(1,738,987)
Net book value of capital assets disposed of reported in government wide statements, less trade-ins	(534,988)

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. (439,465)

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.

Debt issued	(2,404,000)
Principal repaid	1,795,704

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. (148)

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 2022, \$30,105 of the deferred charge on refunding and \$60,727 of the premium was amortized. 30,622

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	(7,493)
Other postemployment benefits and OPEB related deferrals	(17,477)
Landfill postclosure care costs	7,995
Net pension asset and pension related deferrals	666,570

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 377,613

**Change in Net Position of Governmental Activities** \$ (82,465)

# City of River Falls

Statement of Net Position -  
Proprietary Funds  
December 31, 2022

## 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	\$ 3,312,023	\$ 7,885,043	\$ 3,361,929
Receivables, net:			
Accounts	1,458,161	161,823	309,889
Leases	-	59,964	-
Other receivables	53,792	9,501	5,825
Inventories	1,120,130	-	-
Prepaid items	5,706	2,388	2,440
Restricted assets:			
Redemption account	<u>174,739</u>	<u>91,593</u>	<u>454,416</u>
Total current assets	<u>6,124,551</u>	<u>8,210,312</u>	<u>4,134,499</u>
Noncurrent assets:			
Restricted assets:			
Reserve account	263,977	177,489	318,290
Impact fees	-	-	442,114
Replacement account	-	-	1,469,270
Net pension asset	678,814	248,593	280,167
Capital assets:			
Land	122,960	23,120	117,622
Construction in progress	268,170	1,837,020	3,611,303
Property and equipment	34,512,002	22,269,713	33,815,116
Less accumulated depreciation	(15,902,157)	(8,187,460)	(11,361,717)
Other assets:			
Leases receivable	-	1,045,857	-
Preliminary survey and investigation	-	153,604	-
Nonutility property	<u>-</u>	<u>-</u>	<u>17,200</u>
Total noncurrent assets	<u>19,943,766</u>	<u>17,567,936</u>	<u>28,709,365</u>
Total assets	<u>26,068,317</u>	<u>25,778,248</u>	<u>32,843,864</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	1,215,104	433,697	508,193
OPEB related amounts	<u>21,142</u>	<u>1,920</u>	<u>4,187</u>
Total deferred outflows of resources	<u>1,236,246</u>	<u>435,617</u>	<u>512,380</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>	
\$ 326,222	\$ 14,885,217	\$ 275,343
126,523	2,056,396	-
22,351	82,315	21,519
-	69,118	-
-	1,120,130	-
480	11,014	101,547
-	720,748	-
<u>475,576</u>	<u>18,944,938</u>	<u>398,409</u>
-	759,756	-
-	442,114	-
-	1,469,270	-
71,883	1,279,457	192,064
101,298	365,000	-
796,877	6,513,370	-
9,600,498	100,197,329	543,343
(3,538,541)	(38,989,875)	(488,745)
254,639	1,300,496	-
-	153,604	-
-	17,200	-
<u>7,286,654</u>	<u>73,507,721</u>	<u>246,662</u>
<u>7,762,230</u>	<u>92,452,659</u>	<u>645,071</u>
134,314	2,291,308	332,742
-	27,249	-
<u>134,314</u>	<u>2,318,557</u>	<u>332,742</u>

See notes to financial statements

# City of River Falls

Statement of Net Position -  
Proprietary Funds  
December 31, 2022

## Business-Type Activities - Enterprise Funds

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 1,004,382	\$ 655,503	\$ 260,135
Customer deposits	28,651	217	-
Accrued liabilities	43,343	9,910	11,915
Accrued interest	-	-	38,608
Due to other funds	-	-	-
Current portion of general obligation debt	-	-	525,000
Current portion of other loans payable	50,000	-	-
Current portion of compensated absences	55,835	23,195	23,150
Liabilities payable from restricted assets:			
Current portion of revenue bonds	245,000	255,000	418,230
Accrued interest	13,363	51,394	18,710
	<u>1,440,574</u>	<u>995,219</u>	<u>1,295,748</u>
Total current liabilities			
Noncurrent liabilities:			
Long-term debt:			
General obligation debt	-	-	4,065,000
Revenue bonds	1,370,000	5,765,000	3,748,355
Other loans payable	333,333	-	-
Unamortized debt premium	46,049	92,764	177,632
Other postemployment benefits	104,836	9,520	20,763
	<u>1,854,218</u>	<u>5,867,284</u>	<u>8,011,750</u>
Total noncurrent liabilities			
Total liabilities			
	<u>3,294,792</u>	<u>6,862,503</u>	<u>9,307,498</u>
<b>Deferred Inflows of Resources</b>			
Unamortized gain on early retirement	1,518,095	538,109	611,302
OPEB related amounts	26,188	2,378	5,187
Lease related amounts	-	1,105,821	-
	<u>1,544,283</u>	<u>1,646,308</u>	<u>616,489</u>
Total deferred inflows of resources			
<b>Net Position</b>			
Net investment in capital assets	17,220,570	13,252,040	19,164,482
Restricted for:			
Debt service	161,376	40,199	435,706
Replacement	-	-	1,011,022
Impact fee projects	-	-	442,114
Pension	678,814	248,593	280,167
Unrestricted	<u>4,404,728</u>	<u>4,164,222</u>	<u>2,098,766</u>
	<u>22,465,488</u>	<u>17,705,054</u>	<u>23,432,257</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>	
\$ 62,466	\$ 1,982,486	\$ 28,085
30,000	58,868	-
4,306	69,474	10,034
-	38,608	-
-	-	89,959
-	525,000	-
-	50,000	-
9,386	111,566	21,182
-	918,230	-
-	83,467	-
<u>106,158</u>	<u>3,837,699</u>	<u>149,260</u>
-	4,065,000	-
-	10,883,355	-
-	333,333	-
-	316,445	-
-	135,119	-
-	<u>15,733,252</u>	-
<u>106,158</u>	<u>19,570,951</u>	<u>149,260</u>
153,802	2,821,308	418,366
-	33,753	-
<u>276,990</u>	<u>1,382,811</u>	<u>21,519</u>
<u>430,792</u>	<u>4,237,872</u>	<u>439,885</u>
6,960,132	56,597,224	54,598
-	637,281	-
-	1,011,022	-
-	442,114	-
71,883	1,279,457	192,064
<u>327,579</u>	<u>10,995,295</u>	<u>142,006</u>
<u>\$ 7,359,594</u>	70,962,393	<u>\$ 388,668</u>
	<u>(2,565,121)</u>	
	<u>\$ 68,397,272</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, 2022

## 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	\$ 17,044,924	\$ 2,008,153	\$ 3,414,968
Total operating revenues	<u>17,044,924</u>	<u>2,008,153</u>	<u>3,414,968</u>
<b>Operating Expenses</b>			
Operation and maintenance	14,201,399	1,061,126	1,972,450
Depreciation	<u>1,166,536</u>	<u>502,409</u>	<u>809,384</u>
Total operating expenses	<u>15,367,935</u>	<u>1,563,535</u>	<u>2,781,834</u>
Operating income (loss)	<u>1,676,989</u>	<u>444,618</u>	<u>633,134</u>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	-	-	-
Investment income	35,184	98,585	75,310
Interest and fiscal charges	(56,850)	(261,678)	(274,614)
Amortization of debt premium and loss on refunding	8,541	1,163	(11,539)
Miscellaneous	<u>24,269</u>	<u>-</u>	<u>160</u>
Total nonoperating revenues (expenses)	<u>11,144</u>	<u>(161,930)</u>	<u>(210,683)</u>
Income before contributions and transfers	<u>1,688,133</u>	<u>282,688</u>	<u>422,451</u>
<b>Contributions and Transfers</b>			
Capital contributions	164,604	550,261	333,110
Transfers from other funds	-	-	-
Transfers to other funds	<u>(996,430)</u>	<u>(443,014)</u>	<u>(220,153)</u>
Total contributions and transfers	<u>(831,826)</u>	<u>107,247</u>	<u>112,957</u>
Change in net position	856,307	389,935	535,408
<b>Net Position, Beginning</b>	<u>21,609,181</u>	<u>17,315,119</u>	<u>22,896,849</u>
<b>Net Position, Ending</b>	<u>\$ 22,465,488</u>	<u>\$ 17,705,054</u>	<u>\$ 23,432,257</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>
\$ 930,184	\$ 23,398,229	\$ 304,232
<u>930,184</u>	<u>23,398,229</u>	<u>304,232</u>
1,005,226	18,240,201	1,294,402
<u>178,559</u>	<u>2,656,888</u>	<u>51,072</u>
<u>1,183,785</u>	<u>20,897,089</u>	<u>1,345,474</u>
<u>(253,601)</u>	<u>2,501,140</u>	<u>(1,041,242)</u>
5,199	5,199	-
10,992	220,071	2,988
(2,415)	(595,557)	-
-	(1,835)	-
<u>3,747</u>	<u>28,176</u>	<u>3,634</u>
<u>17,523</u>	<u>(343,946)</u>	<u>6,622</u>
<u>(236,078)</u>	<u>2,157,194</u>	<u>(1,034,620)</u>
-	1,047,975	-
-	-	1,315,098
<u>(54,569)</u>	<u>(1,714,166)</u>	<u>(321,636)</u>
<u>(54,569)</u>	<u>(666,191)</u>	<u>993,462</u>
(290,647)	1,491,003	(41,158)
<u>7,650,241</u>	<u>69,471,390</u>	<u>429,826</u>
<u>\$ 7,359,594</u>	<u>\$ 70,962,393</u>	<u>\$ 388,668</u>
	1,471,829	
	<u>(418,771)</u>	
	<u>\$ 1,053,058</u>	

See notes to financial statements

## City of River Falls

Statement of Cash Flows -  
Proprietary Funds  
Year Ended December 31, 2022

### Business-Type Activities - Enterprise Funds

	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 16,696,470	\$ 2,061,908	\$ 3,351,332
Received from municipality for services	222,322	-	-
Paid to suppliers for goods and services	(13,646,842)	(630,250)	(1,392,382)
Paid to employees for services	<u>(1,199,692)</u>	<u>(501,102)</u>	<u>(647,679)</u>
Net cash flows from operating activities	<u>2,072,258</u>	<u>930,556</u>	<u>1,311,271</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>35,184</u>	<u>98,585</u>	<u>75,310</u>
Net cash flows from investing activities	<u>35,184</u>	<u>98,585</u>	<u>75,310</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Paid to municipality for tax equivalent	(432,709)	(264,005)	-
Transfers to/from other funds	<u>(563,721)</u>	<u>(179,009)</u>	<u>(220,153)</u>
Net cash flows from noncapital financing activities	<u>(996,430)</u>	<u>(443,014)</u>	<u>(220,153)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Debt issued	-	4,845,000	4,250,000
Debt retired	(290,000)	(105,000)	(732,798)
Interest paid	(59,249)	(218,816)	(239,828)
Acquisition and construction of capital assets	(931,563)	(1,461,150)	(2,495,570)
Capital contributions received	164,604	187,630	24,980
Impact fees received	<u>-</u>	<u>395,135</u>	<u>281,752</u>
Net cash flows from capital and related financing activities	<u>(1,116,208)</u>	<u>3,642,799</u>	<u>1,088,536</u>
Net change in cash and cash equivalents	(5,196)	4,228,926	2,254,964
<b>Cash and Cash Equivalents, Beginning</b>	<u>3,755,935</u>	<u>3,925,199</u>	<u>3,791,055</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 3,750,739</u>	<u>\$ 8,154,125</u>	<u>\$ 6,046,019</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>		
\$ 1,188,708	\$ 23,298,418	\$	309,620
-	222,322		-
(788,662)	(16,458,136)		(892,225)
<u>(214,433)</u>	<u>(2,562,906)</u>	<u></u>	<u>(460,480)</u>
<u>185,613</u>	<u>4,499,698</u>	<u></u>	<u>(1,043,085)</u>
<u>10,992</u>	<u>220,071</u>	<u></u>	<u>2,988</u>
<u>10,992</u>	<u>220,071</u>	<u></u>	<u>2,988</u>
-	(696,714)		-
<u>(54,569)</u>	<u>(1,017,452)</u>	<u></u>	<u>993,462</u>
<u>(54,569)</u>	<u>(1,714,166)</u>	<u></u>	<u>993,462</u>
-	9,095,000		-
-	(1,127,798)		-
(2,415)	(520,308)		-
(679,794)	(5,568,077)		-
-	377,214		-
<u>-</u>	<u>676,887</u>	<u></u>	<u>-</u>
<u>(682,209)</u>	<u>2,932,918</u>	<u></u>	<u>-</u>
(540,173)	5,938,521		(46,635)
<u>866,395</u>	<u>12,338,584</u>	<u></u>	<u>321,978</u>
<u>\$ 326,222</u>	<u>\$ 18,277,105</u>	<u>\$</u>	<u>275,343</u>

See notes to financial statements

# City of River Falls

Statement of Cash Flows -  
Proprietary Funds  
Year Ended December 31, 2022

## 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)	\$ 1,676,989	\$ 444,618	\$ 633,134
Nonoperating revenue	24,269	-	160
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	1,166,536	502,409	809,384
Depreciation charged to other funds	-	57,377	(57,377)
Changes in assets and liabilities:			
Accounts receivable	(118,521)	(838)	(6,419)
Other receivables	(32,420)	(2,784)	-
Inventories	(433,580)	-	-
Prepaid items	2,012	(368)	854
Due from other funds	-	-	-
Accounts payable	(48,054)	(377)	6,127
Accrued liabilities	10,686	1,331	-
Due to other funds	-	-	3,086
Customer deposits	540	-	-
Compensated absences	(3,964)	1,781	(5,842)
Other postemployment benefits and related deferrals	9,224	2,091	4,546
Pension related deferrals and asset/liability	(181,459)	(74,684)	(76,382)
Net cash flows from operating activities	<u>\$ 2,072,258</u>	<u>\$ 930,556</u>	<u>\$ 1,311,271</u>
<b>Reconciliation of Cash and Cash Equivalents to the</b>			
<b>Statement of Net Position, Proprietary Funds</b>			
Cash and investments	\$ 3,312,023	\$ 7,885,043	\$ 3,361,929
Restricted cash and investments	<u>438,716</u>	<u>269,082</u>	<u>2,684,090</u>
Cash and cash equivalents	<u>\$ 3,750,739</u>	<u>\$ 8,154,125</u>	<u>\$ 6,046,019</u>
<b>Noncash Capital and Related Financing Activities</b>			
Developer contributed capital assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 51,358</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>	
\$ (253,601) 8,946	\$ 2,501,140 33,375	\$ (1,041,242) 3,634
178,559	2,656,888	51,072
-	-	-
269,578	143,800	-
-	(35,204)	1,754
-	(433,580)	-
81	2,579	(89,195)
-	-	7,846
8,202	(34,102)	14,406
11,879	23,896	23,397
-	3,086	57,921
(20,000)	(19,460)	-
-	(8,025)	-
-	15,861	-
<u>(18,031)</u>	<u>(350,556)</u>	<u>(72,678)</u>
<u>\$ 185,613</u>	<u>\$ 4,499,698</u>	<u>\$ (1,043,085)</u>
\$ 326,222	\$ 14,885,217	\$ 275,343
<u>-</u>	<u>3,391,888</u>	<u>-</u>
<u>\$ 326,222</u>	<u>\$ 18,277,105</u>	<u>\$ 275,343</u>
<u>\$ -</u>		<u>\$ -</u>

See notes to financial statements

# City of River Falls

Statement of Fiduciary Net Position -  
Fiduciary Fund  
December 31, 2022

	<b>Custodial Fund Tax Collection Fund</b>
<b>Assets</b>	
Cash and investments	\$ 2,517,301
Taxes receivable	<u>13,271,810</u>
Total assets	<u>15,789,111</u>
<b>Liabilities</b>	
Due to other taxing units	<u>15,789,111</u>
Total liabilities	<u>15,789,111</u>
<b>Net Position</b>	
Total net position	<u><u>\$ -</u></u>

# City of River Falls

Statement of Changes in Fiduciary Net Position -  
Fiduciary Fund  
Year Ended December 31, 2022

	<u>Custodial Fund Tax Collection Fund</u>
<b>Additions</b>	
Property taxes collected for other governments	\$ 11,904,380
Total additions	<u>11,904,380</u>
<b>Deductions</b>	
Property taxes distributed to other governments	<u>11,904,380</u>
Total deductions	<u>11,904,380</u>
Change in fiduciary net position	-
<b>Net Position, Beginning</b>	<u>-</u>
<b>Net Position, Ending</b>	<u><u>\$ -</u></u>

# City of River Falls

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December 31, 2022

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# City of River Falls

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Notes to Financial Statements  
December 31, 2022

## 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, 2022. The BID does not issue separate financial statements.

## Government-Wide and Fund Financial Statements

In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right-to-use an underlying asset. Under the Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, which enhances the relevance and consistency of information about the City's leasing activities. This standard was implemented January 1, 2022.

### 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, 2022

- 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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## **Debt Service Funds**

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

Notes  
Bonds

## **Capital Projects Funds**

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

Capital Equipment

## **Enterprise Funds**

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

Stormwater  
Ambulance

In addition, the City reports the following fund types:

## **Internal Service Funds**

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

City Hall  
Motor Pool  
Technology  
Maintenance

## **Custodial Funds**

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

Tax Collection Fund

## Measurement Focus, Basis of Accounting and Financial Statement Presentation

### Government-Wide Financial Statements

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

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

### Fund Financial Statements

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

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

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

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

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

### Proprietary and Fiduciary Funds

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

## City of River Falls

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Notes to Financial Statements  
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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.

# City of River Falls

Notes to Financial Statements  
December 31, 2022

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## **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  
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The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF) and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on one day's notice. At December 31, 2022, 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 county government 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 - 2022 tax roll:

Lien date and levy date	December 2022
Tax bills mailed	December 2022
Payment in full, or	January 31, 2023
First installment due	January 31, 2023
Second installment due	July 31, 2023
Personal property taxes in full	January 31, 2023
Tax sale - 2022 delinquent real estate taxes	October 2025

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, 2022

## 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 Financial 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 assets 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, 2022, 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.

## Leases

The City is a lessor because it leases capital assets to other entities. As a lessor, the City reports a lease receivable and corresponding deferred inflow of resources in both the fund financial statements and government-wide financial statements. The City continues to report and depreciate the capital assets being leased as capital assets of the primary government.

## Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net assets 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, 2022

## 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	\$ 49,661,483	\$ 56,597,224	\$ (1,380,852)	\$ 104,877,855
Unrestricted	2,503,150	8,430,174	1,380,852	12,314,176

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, 2022

- 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, information about the fiduciary net position of the City OPEB Plan and additions to/deductions from the City OPEB Plan's fiduciary net position 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. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

### 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  
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### 2. Stewardship, Compliance and Accountability

#### Excess Expenditures and Other Financing Uses Over Budget

Fund	Budgeted Expenditures	Actual Expenditures	Excess Expenditures Over Budget
TIF #10	\$ 526,257	\$ 609,444	\$ 83,187

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, 2022, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF #10	\$ 3,129,360	Insufficient tax increment generated
General Capital Projects	1,065,074	Costs exceeded revenues due to capital expenditures
Refuse and Solid Waste	31,119	Insufficient revenues to cover expenditures
TIF #6	825,337	Insufficient tax increment generated
TIF #9	329,206	Insufficient tax increment generated
TIF #11	299,316	Insufficient tax increment generated
TIF #12	528,861	Insufficient tax increment generated
TIF #14	354,544	Insufficient tax increment generated
TIF #15	30,809	Insufficient tax increment generated
TIF #16	845,388	Insufficient tax increment generated
TIF #17	17,265	Insufficient tax increment generated
TIF #18	522,518	Insufficient tax increment generated
Fire Impact Fees	25,691	Insufficient revenues to cover expenditures
Tourism and Economic Development	673,048	Costs exceeded revenues due to purchase of property
Commercial Revolving Loan Fund	32,855	Costs exceeded revenues due to the long-term nature of loan repayments
Debt Service Bonds	8,566	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, 2022

## 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 net new construction or zero percent. 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	\$ 4,738,116	\$ 4,950,152	Custodial credit
U.S. agencies, implicitly guaranteed	209,081	209,081	Custodial credit, credit, interest rate, concentration of credit
LGIP	29,490,009	29,490,009	Credit
U.S. treasuries	732,712	732,712	Custodial credit, interest rate
Corporate bonds	632,116	632,116	Custodial credit, credit, interest rate, concentration of credit
Asset-backed securities	523,147	523,147	Custodial credit, credit, interest rate, concentration of credit
Municipally-held securities	786,314	786,314	Custodial credit, credit, interest rate, concentration of credit
Mortgage-backed securities	405,730	405,730	concentration of credit
Petty cash	457	-	N/A
Total deposits and investments	<u>\$ 37,517,682</u>	<u>\$ 37,729,261</u>	
Reconciliation to financial statements			
Per statement of net position:			
Unrestricted cash and investments	\$ 31,608,493		
Restricted cash and investments	3,391,888		
Per statement of net position, fiduciary fund:			
Tax collection fund	<u>2,517,301</u>		
Total deposits and investments	<u>\$ 37,517,682</u>		

## City of River Falls

Notes to Financial Statements  
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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 \$5,750,000 of Federal Home Loan Bank letters of credit.

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, 2022			Total
	Level 1	Level 2	Level 3	
U.S. treasuries	\$ -	\$ 732,712	\$ -	\$ 732,712
Corporate bonds	-	632,116	-	632,116
Asset-backed securities	-	523,147	-	523,147
Municipally-held securities	-	786,314	-	786,314
Mortgage-backed securities	-	405,730	-	405,730
U.S. agencies, implicitly guaranteed	-	209,081	-	209,081
Total	<u>\$ -</u>	<u>\$ 3,289,100</u>	<u>\$ -</u>	<u>\$ 3,289,100</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, 2022

### 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, 2022, the City's investments were rated as follows:

<u>Investment Type</u>	<u>Standard &amp; Poors</u>
Corporate bonds	AA+/A+/AA/AA-/A
Asset-backed securities	AAA
Municipally-held securities	AAA/AA+/AA/AA-
Mortgage-backed securities	AA+
U.S. agencies, implicitly guaranteed	AA+

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, 2022, the City's investments were as follows:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Maturity (In Months)</u>		
		<u>Less than One Year</u>	<u>One - Five</u>	<u>Six - Ten</u>
U.S. treasuries	\$ 732,712	\$ 4,994	\$ 727,718	\$ -
Corporate bonds	632,116	29,988	482,991	119,137
Asset-backed securities	523,147	-	485,852	37,295
Municipally-held securities	786,314	89,308	697,006	-
Mortgage-backed securities	405,730	-	398,807	6,923
U.S. agencies, implicitly guaranteed	209,081	67,262	141,819	-
Total	<u>\$ 3,289,100</u>	<u>\$ 191,552</u>	<u>\$ 2,934,193</u>	<u>\$ 163,355</u>

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

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## Receivables

All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$50,986 in the general fund and \$7,634 in the general capital projects fund; loans of \$67,759 in the general capital projects fund and \$446,966 in nonmajor governmental funds.

Revenues of the are reported net of uncollectible amounts. Total uncollectible amounts related to revenues of the current period are as follows:

General Fund:	
Allowance for various uncollectible receivables	<u>\$ 28,745</u>
Nonmajor Enterprise Funds:	
Allowance for uncollectible ambulance receivables	<u>\$ 269,573</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	\$ 9,582,000	\$ 23,939
Special assessments receivable	7,634	46,099
Grants receivable	-	2,250
Loans receivable	-	614,653
Developer deposits	3,588,277	-
Miscellaneous	-	150,403
Grant funds received in advance of incurring allowable expenditures	<u>1,616,359</u>	<u>-</u>
Total unearned/unavailable revenue for governmental funds	<u>\$ 14,794,270</u>	<u>\$ 837,344</u>
Unearned revenue included in liabilities	\$ 5,204,636	
Unearned revenue included in deferred inflows	<u>9,589,634</u>	
Total unearned revenue for governmental funds	<u>\$ 14,794,270</u>	

# City of River Falls

Notes to Financial Statements  
December 31, 2022

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## 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.

### 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, 2022:

Restricted assets:	
Bond redemption account	\$ 720,748
Bond reserve account	759,756
Impact fee account	442,114
Replacement account	1,469,270
Net pension asset	<u>4,628,556</u>
Total restricted assets	<u>\$ 8,020,444</u>

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### Capital Assets

Capital asset activity for the year ended December 31, 2022, 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	\$ 16,332,978	\$ 916,490	\$ 583,949	\$ 16,665,519
Construction in progress	<u>434,860</u>	<u>608,587</u>	<u>-</u>	<u>1,043,447</u>
Total capital assets not being depreciated / amortized	<u>16,767,838</u>	<u>1,525,077</u>	<u>583,949</u>	<u>17,708,966</u>
Capital assets being depreciated / amortized:				
Land improvements	3,041,701	-	-	3,041,701
Buildings	22,364,744	145,836	-	22,510,580
Machinery and equipment	9,329,273	842,888	231,125	9,941,036
Infrastructure	38,203,828	-	-	38,203,828
Intangibles	<u>373,105</u>	<u>-</u>	<u>6,469</u>	<u>366,636</u>
Total capital assets being depreciated / amortized	<u>73,312,651</u>	<u>988,724</u>	<u>237,594</u>	<u>74,063,781</u>
Total capital assets	<u>90,080,489</u>	<u>2,513,801</u>	<u>821,543</u>	<u>91,772,747</u>
Less accumulated depreciation / amortization for:				
Buildings	(442,951)	(87,938)	-	(530,889)
Machinery and equipment	(7,655,912)	(600,382)	-	(8,256,294)
Infrastructure	(4,718,403)	(507,919)	74,391	(5,151,931)
Intangibles	(10,756,232)	(560,160)	-	(11,316,392)
	<u>(268,691)</u>	<u>(33,660)</u>	<u>-</u>	<u>(302,351)</u>
Total accumulated depreciation / amortization	<u>(23,842,189)</u>	<u>(1,790,059)</u>	<u>74,391</u>	<u>(25,557,857)</u>
Net capital assets being depreciated / amortized	<u>49,470,462</u>	<u>(801,335)</u>	<u>163,203</u>	<u>48,505,924</u>
Total governmental activities capital assets, net of accumulated depreciation / amortization	<u>\$ 66,238,300</u>	<u>\$ 723,742</u>	<u>\$ 747,152</u>	<u>\$ 66,214,890</u>

Depreciation / amortization expense was charged to functions as follows:

<b>Governmental Activities</b>		
General government		\$ 162,226
Public safety		368,952
Public works		828,094
Leisure activities		<u>430,787</u>
Total governmental activities depreciation / amortization expense		<u>\$ 1,790,059</u>

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## Business-Type Activities

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Electric</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 122,960	\$ -	\$ -	\$ 122,960
Construction in progress	<u>16,485</u>	<u>805,359</u>	<u>553,674</u>	<u>268,170</u>
Total capital assets not being depreciated	<u>139,445</u>	<u>805,359</u>	<u>553,674</u>	<u>391,130</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	26,593,545	913,852	561,925	26,945,472
General	<u>2,687,288</u>	<u>9,759</u>	<u>-</u>	<u>2,697,047</u>
Total capital assets being depreciated	<u>34,150,316</u>	<u>923,611</u>	<u>561,925</u>	<u>34,512,002</u>
Total capital assets	<u>34,289,761</u>	<u>1,728,970</u>	<u>1,115,599</u>	<u>34,903,132</u>
Less accumulated depreciation for:				
Hydraulic production	(743,869)	(20,448)	-	(764,317)
Other production	(814,741)	(25,128)	-	(839,869)
Transmission	(1,055,513)	(86,112)	-	(1,141,625)
Distribution	(10,746,325)	(908,953)	396,744	(11,258,534)
General	<u>(1,748,752)</u>	<u>(149,060)</u>	<u>-</u>	<u>(1,897,812)</u>
Total accumulated depreciation	<u>(15,109,200)</u>	<u>(1,189,701)</u>	<u>396,744</u>	<u>(15,902,157)</u>
Net capital assets being depreciated	<u>19,041,116</u>	<u>(266,090)</u>	<u>165,181</u>	<u>18,609,845</u>
Net electric capital assets	<u>\$ 19,180,561</u>	<u>\$ 539,269</u>	<u>\$ 718,855</u>	<u>\$ 19,000,975</u>

## City of River Falls

Notes to Financial Statements  
December 31, 2022

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Water</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 23,120	\$ -	\$ -	\$ 23,120
Construction in progress	<u>178,683</u>	<u>1,658,337</u>	<u>-</u>	<u>1,837,020</u>
Total capital assets not being depreciated	<u>201,803</u>	<u>1,658,337</u>	<u>-</u>	<u>1,860,140</u>
Capital assets being depreciated:				
Source of supply	881,451	-	-	881,451
Pumping	2,123,771	-	-	2,123,771
Water treatment	49,671	-	-	49,671
Transmission and distribution	18,183,733	500,828	55,133	18,629,428
General	<u>559,744</u>	<u>32,048</u>	<u>6,400</u>	<u>585,392</u>
Total capital assets being depreciated	<u>21,798,370</u>	<u>532,876</u>	<u>61,533</u>	<u>22,269,713</u>
Total capital assets	<u>22,000,173</u>	<u>2,191,213</u>	<u>61,533</u>	<u>24,129,853</u>
Less accumulated depreciation for:				
Source of supply	(259,951)	(30,181)	-	(290,132)
Pumping	(838,341)	(72,379)	-	(910,720)
Water treatment	(27,670)	(2,694)	-	(30,364)
Transmission and distribution	(6,201,022)	(417,607)	52,839	(6,565,790)
General	<u>(358,173)</u>	<u>(38,681)</u>	<u>6,400</u>	<u>(390,454)</u>
Total accumulated depreciation	<u>(7,685,157)</u>	<u>(561,542)</u>	<u>59,239</u>	<u>(8,187,460)</u>
Net capital assets being depreciated	<u>14,113,213</u>	<u>(28,666)</u>	<u>2,294</u>	<u>14,082,253</u>
Net water capital assets	<u>\$ 14,315,016</u>	<u>\$ 1,629,671</u>	<u>\$ 2,294</u>	<u>\$ 15,942,393</u>

# City of River Falls

Notes to Financial Statements  
December 31, 2022

	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Sewer</b>				
Capital assets not being depreciated:				
Land and land rights	\$ 117,622	\$ -	\$ -	\$ 117,622
Construction in progress	<u>1,247,247</u>	<u>2,364,056</u>	<u>-</u>	<u>3,611,303</u>
Total capital assets not being depreciated	<u>1,364,869</u>	<u>2,364,056</u>	<u>-</u>	<u>3,728,925</u>
Capital assets being depreciated:				
Collection system	18,021,376	51,358	4,517	18,068,217
Collection system pumping	971,318	-	-	971,318
Treatment and disposal	11,404,923	-	-	11,404,923
General	3,226,091	66,976	6,400	3,286,667
Intangibles	<u>91,352</u>	<u>-</u>	<u>7,361</u>	<u>83,991</u>
Total capital assets being depreciated	<u>33,715,060</u>	<u>118,334</u>	<u>18,278</u>	<u>33,815,116</u>
Total capital assets	<u>35,079,929</u>	<u>2,482,390</u>	<u>18,278</u>	<u>37,544,041</u>
Less accumulated depreciation for:				
Collection system	(4,022,520)	(193,430)	2,327	(4,213,623)
Collection system pumping	(782,447)	(32,486)	-	(814,933)
Treatment and disposal	(4,325,634)	(387,826)	-	(4,713,460)
General	<u>(1,487,834)</u>	<u>(138,267)</u>	<u>6,400</u>	<u>(1,619,701)</u>
Total accumulated depreciation	<u>(10,618,435)</u>	<u>(752,009)</u>	<u>8,727</u>	<u>(11,361,717)</u>
Net capital assets being depreciated	<u>23,096,625</u>	<u>(633,675)</u>	<u>9,551</u>	<u>22,453,399</u>
Net sewer capital assets	<u>\$ 24,461,494</u>	<u>\$ 1,730,381</u>	<u>\$ 9,551</u>	<u>\$ 26,182,324</u>
	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>
<b>Stormwater</b>				
Capital assets not being depreciated:				
Construction in progress	\$ 64,350	\$ 732,527	\$ -	\$ 796,877
Total capital assets not being depreciated	<u>64,350</u>	<u>732,527</u>	<u>-</u>	<u>796,877</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>732,527</u>	<u>-</u>	<u>9,759,982</u>
Less accumulated depreciation for:				
Machinery and equipment	(139,966)	(3,235)	-	(143,201)
Collection system	<u>(2,680,975)</u>	<u>(150,079)</u>	<u>-</u>	<u>(2,831,054)</u>
Total accumulated depreciation	<u>(2,820,941)</u>	<u>(153,314)</u>	<u>-</u>	<u>(2,974,255)</u>
Net capital assets being depreciated	<u>6,142,164</u>	<u>(153,314)</u>	<u>-</u>	<u>5,988,850</u>
Net stormwater capital assets	<u>\$ 6,206,514</u>	<u>\$ 579,213</u>	<u>\$ -</u>	<u>\$ 6,785,727</u>

## City of River Falls

Notes to Financial Statements  
December 31, 2022

	Beginning Balance	Additions	Deletions	Ending Balance
<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>35,985</u>	<u>-</u>	<u>-</u>	<u>35,985</u>
Total capital assets being depreciated	<u>637,393</u>	<u>-</u>	<u>-</u>	<u>637,393</u>
Total capital assets	<u>738,691</u>	<u>-</u>	<u>-</u>	<u>738,691</u>
Less accumulated depreciation for:				
Buildings	(504,855)	(23,446)	-	(528,301)
Machinery and equipment	<u>(34,186)</u>	<u>(1,799)</u>	<u>-</u>	<u>(35,985)</u>
Total accumulated depreciation	<u>(539,041)</u>	<u>(25,245)</u>	<u>-</u>	<u>(564,286)</u>
Net capital assets being depreciated	<u>98,352</u>	<u>(25,245)</u>	<u>-</u>	<u>73,107</u>
Net ambulance capital assets	<u>\$ 199,650</u>	<u>\$ (25,245)</u>	<u>\$ -</u>	<u>\$ 174,405</u>
Business-type capital assets, net of accumulated depreciation	<u>\$ 64,363,235</u>	<u>\$ 4,453,289</u>	<u>\$ 730,700</u>	<u>\$ 68,085,824</u>

Depreciation / amortization expense was charged to functions as follows:

### Business-Type Activities

Electric	\$ 1,166,536
Water	502,409
Sewer	809,384
Stormwater	153,314
Ambulance	<u>25,245</u>
Total business-type activities depreciation expense	<u>\$ 2,656,888</u>

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

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## 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 #11	\$ 134,704
General Fund	TIF District #14	349,854
General Fund	TIF District #17	16,731
General Fund	TIF District #18	17,947
General Fund	Refuse and Solid Waste	130,524
General Fund	Commercial Revolving Loan	32,855
General Fund	Debt Service Bonds	22,040
General Fund	Motor Pool	32,038
General Fund	Maintenance	57,921
General Fund	Fire Impact Fees	<u>25,539</u>
Total, fund financial statements		820,153
Less fund eliminations		(820,153)
Add interfund receivables created with internal service fund eliminations		<u>2,565,121</u>
Total internal balances, government-wide statement of net position		<u>\$ 2,565,121</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 and environmental fee fund are advancing funds to TIF Districts No. 6, 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.

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.

# City of River Falls

Notes to Financial Statements  
December 31, 2022

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 #9	343,589	343,589
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	566,838	566,838
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
	Tourism and Economic		
Environmental Fee	Development	<u>1,000,000</u>	1,000,000
	Total, fund financial statements	8,319,366	
	Less fund eliminations	<u>(8,319,366)</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, 2022 are as follows:

TIF District No. 5	\$ 1,549,267
TIF District No. 9	233,807
TIF District No. 10	337,423

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## 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	\$ 29,311	Budgeted allocations
General	General capital projects	51,719	Budgeted allocations
General	Nonmajor governmental funds	584,075	Budgeted allocations
General	Electric utility	672,236	Property tax equivalent & budgeted allocations
General	Water utility	379,429	Property tax equivalent & budgeted allocations
General	Sewer utility	134,608	Budgeted allocations
General	Nonmajor enterprise funds	33,556	Budgeted allocations
General	Internal service funds	64,681	Budgeted allocations
General Capital Projects	Electric utility	42,000	Budgeted allocations
Nonmajor governmental funds	General	51,248	Budgeted allocations
Nonmajor governmental funds	Nonmajor governmental funds	112,029	Budgeted allocations
Nonmajor governmental funds	General capital projects	3,375	Budgeted allocations
Nonmajor governmental funds	Internal service funds	149,312	Budgeted allocations
Internal service funds	General	673,263	Budgeted allocations
Internal service funds	Nonmajor governmental funds	81,855	Budgeted allocations
Internal service funds	Nonmajor enterprise funds	21,013	Budgeted allocations
Internal service funds	Internal service funds	107,643	Budgeted allocations
Internal service funds	Water utility	63,585	Budgeted allocations
Internal service funds	Sewer utility	85,545	Budgeted allocations
Internal service funds	Electric utility	<u>282,194</u>	Budgeted allocations
Total, fund financial statements		3,622,677	
Less fund eliminations		<u>(1,908,511)</u>	
Total transfers, government-wide statement of activities		<u>\$ 1,714,166</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, 2022

## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2022, 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	\$ 16,255,000	\$ 905,000	\$ 1,365,000	\$ 15,795,000	\$ 1,270,000
General obligation bonds or notes from direct borrowings and direct placements	2,572,982	1,499,000	430,704	3,641,278	496,463
(Discounts)/Premiums	794,157	-	60,727	733,430	-
Total bonds and notes payable	<u>19,622,139</u>	<u>2,404,000</u>	<u>1,856,431</u>	<u>20,169,708</u>	<u>1,766,463</u>
Other liabilities:					
Vested compensated absences	235,042	28,675	-	263,717	263,717
Other postemployment benefits	712,064	-	99,945	612,119	-
Landfill postclosure care cost	107,331	6,976	14,971	99,336	14,971
Total other liabilities	<u>1,054,437</u>	<u>35,651</u>	<u>114,916</u>	<u>975,172</u>	<u>278,688</u>
Total governmental activities long- term liabilities	<u>\$ 20,676,576</u>	<u>\$ 2,439,651</u>	<u>\$ 1,971,347</u>	<u>\$ 21,144,880</u>	<u>\$ 2,045,151</u>
<b>Business-Type Activities</b>					
Bonds and notes payable:					
General obligation debt	\$ 665,000	\$ 4,250,000	\$ 325,000	\$ 4,590,000	\$ 525,000
Revenue bonds	6,885,000	4,845,000	555,000	11,175,000	715,000
Revenue bonds from direct borrowings and direct placements	824,383	-	197,798	626,585	203,230
Other long-term debt from direct borrowings and direct placements	433,333	-	50,000	383,333	50,000
(Discounts)/Premiums:					
Bond discount	154,657	189,495	27,707	316,445	-
Total bonds and notes payable	<u>8,962,373</u>	<u>9,284,495</u>	<u>1,155,505</u>	<u>17,091,363</u>	<u>1,493,230</u>
Other liabilities:					
Vested compensated absences	110,205	1,361	-	111,566	111,566
Other postemployment benefits	143,488	-	8,369	135,119	-
Total other liabilities	<u>253,693</u>	<u>1,361</u>	<u>8,369</u>	<u>246,685</u>	<u>111,566</u>
Total business-type activities long- term liabilities	<u>\$ 9,216,066</u>	<u>\$ 9,285,856</u>	<u>\$ 1,163,874</u>	<u>\$ 17,338,048</u>	<u>\$ 1,604,796</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, 2022, was \$74,730,770. Total general obligation debt outstanding at year end was \$24,026,278.

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### 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, 2022</u>
Refunding Bonds	03/2012	03/2028	2.4%	\$ 4,560,000	\$ 885,000
Corporate Purpose Bonds	08/2014	06/2034	3.0-4.0	5,425,000	3,230,000
State Trust Fund Loan *	07/2015	03/2034	3.75	1,600,000	1,123,537
State Trust Fund Loan *	10/2015	03/2025	3.25	269,800	100,049
Promissory Note *	10/2015	10/2025	2.94	575,000	174,292
Refunding Bonds	04/2016	03/2029	2.0-3.0	4,060,000	2,680,000
Park Bonds	07/2018	04/2033	3.0-3.2	3,460,000	2,690,000
Promissory Note *	12/2018	12/2023	3.33	516,000	103,200
Promissory Note *	11/2019	11/2029	2.54	620,000	434,000
Promissory Note *	11/2019	11/2024	2.09	518,000	207,200
Corporate Purpose Bonds	06/2020	03/2040	2.0-4.0	5,740,000	5,405,000
Promissory Note *	10/2022	10/2032	4.69	750,000	750,000
Promissory Note *	10/2022	10/2027	4.27	749,000	749,000
Sewer System Improvement Bonds	10/2022	10/2042	4.0-5.0	905,000	<u>905,000</u>
Total governmental activities, general obligation debt					<u>\$ 19,436,278</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, 2022</u>
Refunding Bonds	08/2012	05/2023	1.0-2.5%	\$ 3,165,000	\$ 340,000
Sewer System Improvement Bonds	10/2022	10/2042	4.0-5.0	4,250,000	<u>4,250,000</u>
Total business-type activities, general obligation debt					<u>\$ 4,590,000</u>

\* - considered direct placement or direct borrowing

# City of River Falls

Notes to Financial Statements  
December 31, 2022

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>
2023	\$ 1,270,000	\$ 453,855	\$ 525,000	\$ 176,889
2024	1,285,000	411,110	140,000	172,838
2025	1,330,000	368,438	145,000	165,838
2026	1,375,000	327,640	155,000	158,588
2027	1,415,000	285,458	160,000	150,838
2028-2032	5,650,000	860,916	940,000	630,188
2033-2037	2,675,000	235,698	1,140,000	420,888
2038-2042	795,000	26,550	1,385,000	174,125
Total	<u>\$ 15,795,000</u>	<u>\$ 2,969,665</u>	<u>\$ 4,590,000</u>	<u>\$ 2,050,192</u>

<u>Years</u>	<u>Governmental Activities Bonds and Notes from Direct Borrowings and Direct Placements</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 496,463	\$ 131,127
2024	398,044	119,564
2025	301,589	107,518
2026	215,727	97,382
2027	971,904	89,394
2028-2032	1,032,393	162,973
2033-2034	225,158	12,641
Total	<u>\$ 3,641,278</u>	<u>\$ 720,599</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 10.25% of net revenues. The total principal and interest remaining to be paid on the bonds is \$1,770,275. Principal and interest paid for the current year and total customer net revenues were \$298,250 and \$2,878,709, respectively.

The water utility has pledged future water utility revenues, net of specified operating expenses, to repay revenue bonds issued in 2011 and 2022. The bonds are payable solely from water utility revenues and are payable through 2042. Annual principal and interest payments on the bonds are expected to require 41.06% of net revenues. The total principal and interest remaining to be paid on the bonds is \$8,587,195. Principal and interest paid for the current year and total customer net revenues were \$154,405 and \$1,045,612, 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 23.31% of net revenues. The total principal and interest remaining to be paid on the bonds is \$4,954,230. Principal and interest paid for the current year and total customer net revenues were \$524,870 and \$1,517,828, respectively.

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## Water Utility

Revenue Bonds	07/2011	11/2031	2.0-4.4%	2,125,000	1,175,000
Revenue Bonds	10/2022	05/2042	4.25-5.00%	4,845,000	<u>4,845,000</u>
Total Water Utility					<u>6,020,000</u>

## Sewer Utility

Revenue Bonds *	11/2005	05/2025	2.746%	3,317,130	626,585
Revenue Bonds	04/2016	05/2036	2.0-3.0%	4,510,000	<u>3,540,000</u>
Total Sewer Utility					<u>4,166,585</u>

## Electric Utility

Revenue Bonds	07/2018	04/2028	3.0-4.0%	2,500,000	<u>1,615,000</u>
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Total business-type activities, revenue debt \$ 11,801,585

\* - Considered direct placement or direct borrowing

Debt service requirements to maturity are as follows:

<u>Years</u>	<b>Business-Type Activities Revenue Debt</b>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 715,000	\$ 401,492
2024	750,000	368,301
2025	775,000	342,186
2026	800,000	316,306
2027	830,000	289,256
2028-2032	3,210,000	1,048,031
2033-2037	2,480,000	542,606
2038-2042	<u>1,615,000</u>	<u>175,817</u>
Total	<u>\$ 11,175,000</u>	<u>\$ 3,483,995</u>

<u>Years</u>	<b>Business-Type Activities Revenue Debt from Direct Borrowings and Direct Placements</b>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 203,230	\$ 14,416
2024	208,811	8,758
2025	<u>214,544</u>	<u>2,946</u>
Total	<u>\$ 626,585</u>	<u>\$ 26,120</u>

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### 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, 2022</u>
<u>Other Loans Payable</u>					
WPPI Loan *	05/2020	06/2030	0%	\$ 500,000	\$ <u>383,333</u>
Total business-type activities other loans payable					\$ <u><u>383,333</u></u>

\* - Considered direct placement or direct borrowing

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-Type Activities Other Loans Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2023	\$ 50,000	\$ -
2024	50,000	-
2025	50,000	-
2026	50,000	-
2027	50,000	-
2028-2030	<u>133,333</u>	<u>-</u>
Total	<u>\$ 383,333</u>	<u>\$ -</u>

### 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 \$1,223,586 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 \$918,692 and business-type activities of \$383,333 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 \$626,585 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.

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### Lease Disclosures

#### Lessor - Lease Receivables

<u>Governmental Activities</u>				Receivable Balance December 31, 2022
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
City Hall building space - Chamber	1/1/2022	12/31/2023	4.5%	\$ 21,519
Total governmental activities				<u>\$ 21,519</u>

<u>Business-Type Activities</u>				Receivable Balance December 31, 2022
<u>Lease Receivables Description</u>	<u>Date of Inception</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	
Water tower space - Verizon	11/8/2016	12/31/2031	4.5%	\$ 101,657
Water tower space - T-Mobile	12/1/2003	12/31/2023	4.5%	13,487
Water tower space - Verizon (Midwest)	1/1/1999	12/31/2042	4.5%	396,227
Water tower space - Sprint (T- Mobile)	11/1/2001	12/31/2031	4.5%	171,585
Water tower space - AT&T	2/1/2009	12/31/2033	4.5%	315,891
Water tower space - Northfield WIFI	1/1/2019	12/31/2034	4.5%	106,974
175 E Cedar St building and parking lot	1/1/2021	12/31/2031	4.5%	<u>276,990</u>
Total business-type activities				<u>\$ 1,382,811</u>

The City recognized \$106,255 of lease revenue during the fiscal year.

The City recognized \$104,584 of interest revenue during the fiscal year.

### 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 \$99,336 reported as landfill closure and postclosure care liability at December 31, 2022, represents the estimated amount of future postclosure costs. These amounts are based on what it would cost to perform all postclosure care in 2022. Actual cost may be higher due to inflation, changes in technology or changes in regulations.

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## Net Position/Fund Balances

Net position reported on the government-wide statement of net position at December 31, 2022, includes the following:

### Governmental Activities

Net investment in capital assets:

Land	\$ 16,665,519
Construction in progress	1,043,447
Other capital assets, net of accumulated depreciation/amortization	48,505,924
Less long-term debt outstanding (excluding unspent capital related debt proceeds)	(18,560,151)
Plus noncapital debt proceeds	2,552,016
Less unamortized debt premium	(733,430)
Plus unamortized deferred charge on refunding	<u>188,158</u>
Total net investment in capital assets	<u><u>\$ 49,661,483</u></u>

### Governmental Funds

Governmental fund balances reported on the fund financial statements at December 31, 2022, include the following:

	<u>General Fund</u>	<u>Tax Increment District #10</u>	<u>General Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Prepaid items	\$ 53,675	\$ -	\$ -	\$ 3,522	\$ 57,197
Advances to other funds	<u>6,319,366</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>6,819,366</u>
Subtotal	<u>6,373,041</u>	<u>-</u>	<u>500,000</u>	<u>3,522</u>	<u>6,876,563</u>
<b>Restricted for:</b>					
Debt service	-	-	-	17,854	17,854
Parking improvements	-	-	-	62,785	62,785
Shared ride taxi	-	-	-	13,041	13,041
Environmental fee	-	-	-	3,255,785	3,255,785
Future TIF expenditures	-	-	-	1,409,322	1,409,322
Library	-	-	-	309,904	309,904
Park impact fee projects	-	-	-	533,039	533,039
Library impact fee projects	-	-	-	59,195	59,195
Housing reserve	-	-	-	512,375	512,375
Library trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>145,777</u>	<u>145,777</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,319,077</u>	<u>6,319,077</u>
<b>Committed to:</b>					
American Recovery Plan	-	-	-	257	257
Park acquisition	-	-	-	1,125	1,125
Equipment	<u>-</u>	<u>-</u>	<u>-</u>	<u>769,772</u>	<u>769,772</u>
Subtotal	<u>-</u>	<u>-</u>	<u>-</u>	<u>771,154</u>	<u>771,154</u>
<b>Unassigned (deficit)</b>	<u>5,973,862</u>	<u>(3,129,360)</u>	<u>(1,565,074)</u>	<u>(4,524,543)</u>	<u>(3,245,115)</u>
Total fund balances (deficit)	<u><u>\$ 12,346,903</u></u>	<u><u>\$ (3,129,360)</u></u>	<u><u>\$ (1,065,074)</u></u>	<u><u>\$ 2,569,210</u></u>	<u><u>\$ 10,721,679</u></u>

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## Business-Type Activities

Net investment in capital assets:	
Land	\$ 365,000
Construction in progress	6,513,370
Other capital assets, net of accumulated depreciation	61,207,454
Less long-term debt outstanding	(16,774,918)
Plus unspent capital related debt proceeds	4,562,340
Less unamortized debt premium	(316,445)
Plus unspent debt proceeds	759,756
Plus debt issuance costs	<u>280,667</u>
Total net investment in capital assets	<u>\$ 56,597,224</u>

## 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/Masurement 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	\$ 63,840	\$ 63,480	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>.

Additionally, ETF issued a standalone Wisconsin Retirement System Financial Report, which can also be found using the link above.

#### 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.

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### 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>
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
2021	5.1	13.0

### 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 was 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 \$614,047 in contributions from the City.

Contribution rates for the plan year reported as of December 31, 2022 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 %	11.75 %
Protective without Social Security	6.75 %	16.35 %

## City of River Falls

Notes to Financial Statements  
December 31, 2022

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

At December 31, 2022, the City reported an asset of \$4,628,556 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2021, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.05742495%, which was a decrease of 0.00241875% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized negative pension expense of \$475,135.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between projected and actual experience	\$ 7,477,199	\$ 539,186
Changes in assumptions	863,530	-
Net differences between projected and actual earnings on pension plan investments	-	10,354,466
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,364	13,216
Employer contributions subsequent to the measurement date	<u>679,562</u>	<u>-</u>
Total	<u>\$ 9,022,655</u>	<u>\$ 10,906,868</u>

\$679,562 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Years Ending December 31:</b>	<b>Deferred Outflows of Resources and Deferred Inflows of Resources (Net)</b>
2023	\$ (221,522)
2024	(1,256,728)
2025	(554,457)
2026	(531,068)

## City of River Falls

Notes to Financial Statements  
December 31, 2022

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### Actuarial Assumptions

The total pension liability in the December 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2020
Measurement Date of Net Pension Liability (Asset):	December 31, 2021
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Wage Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-Retirement Adjustments*:	1.7%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.7% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.*

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 actuarial valuation.

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### 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>Asset Allocation Targets and Expected Returns* As of December 31, 2021</b>			
<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	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund***	115	6.6	4
<b>Variable Fund Asset</b>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2

\* Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

\*\* New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.5%

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

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### Single Discount Rate

A single discount rate of 6.8% was used to measure the total pension liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.8% and a municipal bond rate of 1.84% (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, 2021. 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 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the investment rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.80%, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.80%) or 1-percentage-point higher (7.80%) than the current rate:

	<u>1% Decrease to Discount Rate (5.8%)</u>	<u>Current Discount Rate (6.8%)</u>	<u>1% Increase to Discount Rate (7.8%)</u>
City's proportionate share of the net pension liability (asset)	\$ 3,284,289	\$ (4,628,556)	\$ (10,324,333)

### 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, 2022, 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, 2022. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures. At December 31, 2022, the City had \$6,878,000 of open contracts.

### 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 \$274 million as of December 31, 2022.

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## 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, 2022 is available from the facility office.

## 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, 2022, 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>

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### Total OPEB Liability

The City's total OPEB liability of \$747,238 was measured as of December 31, 2021, and was determined by an actuarial valuation as of January 1, 2021.

### 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	7.5% for 2023, 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.

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

	<b>Total OPEB Liability</b>
Balances at December 31, 2021	<u>\$ 855,552</u>
Changes for the year:	
Service cost	45,096
Interest	19,813
Differences between expected and actual experience	(26,661)
Changes in assumptions or other inputs	(106,157)
Benefit payments	<u>(40,405)</u>
Net changes	<u>(108,314)</u>
Balances at December 31, 2022	<u><u>\$ 747,238</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.25% in 2021 to 4.31% in 2022.

### 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 (3.3%) or 1-percentage-point higher (5.3%) than the current discount rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
Total OPEB liability	<u>\$ 797,423</u>	<u>\$ 747,238</u>	<u>\$ 699,885</u>

## City of River Falls

Notes to Financial Statements  
December 31, 2022

### 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 (6.5% decreasing to 3.5%) or 1-percentage-point higher (8.5% 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	\$ 671,640	\$ 747,238	\$ 835,194

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

For the year ended December 31, 2022, the City recognized OPEB expense of \$73,743. At December 31, 2022, 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	\$ 53,221	\$ 88,665
Changes of assumptions or other inputs	97,473	97,992
Total	<u>\$ 150,694</u>	<u>\$ 186,657</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>Years Ending December 31:</u>	<u>Amount</u>
2023	\$ 8,834
2024	8,840
2025	3,158
2026	(11,684)
2027	(26,137)
Thereafter	(18,974)
Total	<u>\$ (35,963)</u>

### Subsequent Events

On July 25, 2023 the city authorized the issuance of general obligation bonds not to exceed \$18,415,000 for the purpose of financing for the Mann Valley Corporate Park Infrastructure, including Streets, Sewer, and Electric portions; and Bio-Solids Facility project. These bonds will have a 20 year term and will be dated September 28, 2023.

On July 25, 2023 the city authorized the issuance of Water System Revenue Bonds not to exceed \$4,933,000 for the purpose to provide interim financing for the costs of Mann Valley Water Projects. These bonds will have a 5 year term and will be dated September 28, 2023.

# City of River Falls

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Notes to Financial Statements  
December 31, 2022

## 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 is disclosing all abatement agreements individually.

The City through its various Tax Incremental Financing Districts (TID) has entered into tax abatement agreements with 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, 2022 were \$4,348,991. Anticipated future incentive payments based on such development agreements as of year end totaled \$6,939,000. In addition to the tax abatement arrangements described above, the City has several development agreements where the City will reimburse the developer for infrastructure costs.

## Effect of New Accounting Standards on Current-Period Financial Statements

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

- Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*
- Statement No. 96, *Subscription-Based Information Technology Arrangements*
- 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, 2022 is limited to a maximum of \$119,889 in principal plus interest.

# City of River Falls

Notes to Financial Statements  
December 31, 2022

## 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, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Taxes	\$ 4,924,432	\$ 4,924,432	\$ 4,922,083	\$ (2,349)
Special assessments	-	-	27	27
Intergovernmental	3,683,839	3,683,839	3,671,011	(12,828)
Licenses and permits	370,850	370,850	465,178	94,328
Fines, forfeitures and penalties	205,000	205,000	134,462	(70,538)
Public charges for services	265,475	265,475	371,074	105,599
Intergovernmental charges for services	25,000	25,000	13,741	(11,259)
Investment income (loss)	175,752	175,752	(13,735)	(189,487)
Miscellaneous	57,188	57,188	102,215	45,027
Total revenues	<u>9,707,536</u>	<u>9,707,536</u>	<u>9,666,056</u>	<u>(41,480)</u>
<b>Expenditures</b>				
Current:				
General government	2,073,808	2,073,808	2,038,620	35,188
Public safety	4,320,023	4,537,223	4,534,589	2,634
Public works	2,430,738	2,430,738	2,378,973	51,765
Health services	3,775	3,775	351	3,424
Leisure activities	936,679	948,479	948,411	68
Conservation and development	930,234	1,102,834	1,102,791	43
Debt service:				
Principal	257,000	257,000	256,988	12
Interest and fiscal charges	34,305	34,305	34,385	(80)
Total expenditures	<u>10,986,562</u>	<u>11,388,162</u>	<u>11,295,108</u>	<u>93,054</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,279,026)</u>	<u>(1,680,626)</u>	<u>(1,629,052)</u>	<u>51,574</u>
<b>Other Financing Sources (Uses)</b>				
Transfers in	1,988,537	1,988,537	1,949,615	(38,922)
Transfers out	(724,511)	(724,511)	(724,511)	-
Property sales	15,000	15,000	16,414	1,414
Total other financing sources (uses)	<u>1,279,026</u>	<u>1,279,026</u>	<u>1,241,518</u>	<u>(37,508)</u>
Net change in fund balance	-	(401,600)	(387,534)	14,066
<b>Fund Balance, Beginning</b>	<u>12,734,437</u>	<u>12,734,437</u>	<u>12,734,437</u>	<u>-</u>
<b>Fund Balance, Ending</b>	<u>\$ 12,734,437</u>	<u>\$ 12,332,837</u>	<u>\$ 12,346,903</u>	<u>\$ 14,066</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, 2022

	<u>Budgeted Amounts Original and Final</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Revenues</b>			
Taxes	\$ 416,000	\$ 681,756	\$ 265,756
Intergovernmental	-	43	43
Investment income	-	7,497	7,497
Miscellaneous	<u>120,000</u>	<u>75,746</u>	<u>(44,254)</u>
Total revenues	<u>536,000</u>	<u>765,042</u>	<u>229,042</u>
<b>Expenditures</b>			
Current:			
Conservation and development	4,000	4,635	(635)
Capital outlay	64,000	220,034	(156,034)
Debt service:			
Principal retirement	245,000	245,000	-
Interest and fiscal charges	<u>110,446</u>	<u>110,464</u>	<u>(18)</u>
Total expenditures	<u>423,446</u>	<u>580,133</u>	<u>(156,687)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>112,554</u>	<u>184,909</u>	<u>72,355</u>
<b>Other Financing Uses</b>			
Transfers to other funds	<u>(29,311)</u>	<u>(29,311)</u>	<u>-</u>
Total other financing uses	<u>(29,311)</u>	<u>(29,311)</u>	<u>-</u>
Net change in fund balance	83,243	155,598	72,355
<b>Fund Balance (Deficit), Beginning</b>	<u>(3,284,958)</u>	<u>(3,284,958)</u>	<u>-</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ (3,201,715)</u>	<u>\$ (3,129,360)</u>	<u>\$ 72,355</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, 2022

	Year End Date					
	2022	2021	2020	2019	2018	2017
<b>Total OPEB Liability</b>						
Service cost	\$ 45,096	\$ 48,680	\$ 37,288	\$ 36,854	\$ 39,517	\$ 34,576
Interest	19,813	19,416	26,116	28,328	25,542	21,789
Differences between expected and actual experience	(26,661)	(85,224)	37,051	58,906	(17,294)	27,203
Changes of assumptions	(106,157)	35,071	64,152	44,979	(24,500)	65,960
Benefit payments	(40,405)	(58,832)	(63,446)	(51,861)	(45,877)	(41,071)
Net change in total OPEB liability	(108,314)	(40,889)	101,161	117,206	(22,612)	108,457
<b>Total OPEB Liability, Beginning</b>	<u>855,552</u>	<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>\$ 747,238</u>	<u>\$ 855,552</u>	<u>\$ 896,441</u>	<u>\$ 795,280</u>	<u>\$ 678,074</u>	<u>\$ 700,686</u>
Covered employee payroll	\$ 3,472,009	\$ 3,284,724	\$ 3,787,531	\$ 3,970,409	\$ 4,843,135	\$ 4,692,960
Total OPEB liability as a percentage of covered employee payroll	21.52%	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, 2022

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
12/31/21	0.05742495 %	\$ 4,628,556	\$ 7,701,519	60.10 %	106.02 %
12/31/20	0.05984370 %	3,736,125	8,662,506	43.13 %	105.26 %
12/31/19	0.05923217 %	1,909,915	8,452,293	22.60 %	102.96 %
12/31/18	0.05700718 %	(2,028,136)	8,119,664	24.98 %	96.45 %
12/31/17	0.05357074 %	1,590,578	7,708,241	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, 2022

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
12/31/22	\$ 679,562	\$ 679,562	\$ -	\$ 8,469,735	8.02 %
12/31/21	614,669	614,669	-	7,031,631	8.74 %
12/31/20	680,059	680,059	-	7,921,103	8.59 %
12/31/19	630,482	630,482	-	8,119,377	7.77 %
12/31/18	614,274	614,274	-	8,119,664	7.57 %
12/31/17	595,057	595,057	-	7,708,241	7.72 %
12/31/16	515,383	515,383	-	6,946,950	7.42 %
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, 2022

### 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.

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

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table

**SUPPLEMENTARY INFORMATION**

## City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -

General Fund

Year Ended December 31, 2022

	<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	\$ 4,834,132	\$ 4,834,132	\$ 4,836,219	\$ 2,087
Mobile home taxes	22,000	22,000	17,772	(4,228)
Payment in lieu of taxes, other	7,800	7,800	130	(7,670)
Payments in lieu of taxes, housing authority	60,000	60,000	66,992	6,992
Interest and penalties on taxes	<u>500</u>	<u>500</u>	<u>970</u>	<u>470</u>
Total taxes	<u>4,924,432</u>	<u>4,924,432</u>	<u>4,922,083</u>	<u>(2,349)</u>
<b>Special Assessments</b>				
Special assessments	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>
Total special assessments	<u>-</u>	<u>-</u>	<u>27</u>	<u>27</u>
<b>Intergovernmental</b>				
State shared revenues	2,048,839	2,048,839	2,115,112	66,273
Fire insurance from state	40,000	40,000	53,787	13,787
State aid, computers	10,000	10,000	10,754	754
State aid, police training	-	-	2,880	2,880
State aid, other public safety	-	-	47,873	47,873
State aid, streets	650,000	650,000	633,899	(16,101)
State aid, local road improvement program	240,000	240,000	-	(240,000)
State aid, municipal services	270,000	270,000	276,003	6,003
Municipal grants	300,000	300,000	335,246	35,246
School district grant	125,000	125,000	134,293	9,293
Federal grants	<u>-</u>	<u>-</u>	<u>61,164</u>	<u>61,164</u>
Total intergovernmental	<u>3,683,839</u>	<u>3,683,839</u>	<u>3,671,011</u>	<u>(12,828)</u>
<b>Licenses and Permits</b>				
Liquor and malt beverage licenses	18,000	18,000	19,504	1,504
Operators' license	6,000	6,000	6,738	738
Cigarette licenses	1,500	1,500	2,100	600
Cable television franchise fees	130,150	130,150	115,145	(15,005)
Business and occupational licenses	1,000	1,000	2,025	1,025
Dog licenses	4,000	4,000	3,374	(626)
Housing inspection licenses	500	500	460	(40)
Plumbing permits	2,500	2,500	4,600	2,100
Building permits	200,000	200,000	305,946	105,946
Sign permits	2,500	2,500	787	(1,713)
Zoning permits	3,000	3,000	1,430	(1,570)
Inspectors red seal	<u>1,700</u>	<u>1,700</u>	<u>3,069</u>	<u>1,369</u>
Total licenses and permits	<u>370,850</u>	<u>370,850</u>	<u>465,178</u>	<u>94,328</u>

## City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -

General Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Fines, Forfeitures and Penalties</b>				
Court penalties and costs	\$ 70,000	\$ 70,000	\$ 46,505	\$ (23,495)
Parking violations	105,000	105,000	65,390	(39,610)
Court costs	30,000	30,000	22,567	(7,433)
	<u>205,000</u>	<u>205,000</u>	<u>134,462</u>	<u>(70,538)</u>
<b>Public Charges for Services</b>				
Clerk's fees	9,000	9,000	6,872	(2,128)
Zoning administration fees	17,000	17,000	41,570	24,570
Publication fees	1,000	1,000	1,170	170
Plat review fees	10,000	10,000	18,500	8,500
Police department fees	10,000	10,000	10,356	356
Police towing	8,000	8,000	5,628	(2,372)
Fire department fees	15,000	15,000	16,922	1,922
Fire inspection fees	1,500	1,500	2,350	850
Highway maintenance and construction	10,000	10,000	60,031	50,031
Weights and measures charges	4,475	4,475	4,500	25
Swimming pool	45,000	45,000	28,610	(16,390)
Parks	63,000	63,000	77,165	14,165
Recreation programs	70,000	70,000	94,550	24,550
Forestry fees	-	-	400	400
Other public charges for services	1,500	1,500	2,450	950
	<u>265,475</u>	<u>265,475</u>	<u>371,074</u>	<u>105,599</u>
<b>Intergovernmental Charges for Services</b>				
Interdepartmental sales	25,000	25,000	13,741	(11,259)
	<u>25,000</u>	<u>25,000</u>	<u>13,741</u>	<u>(11,259)</u>
<b>Investment Income (Loss)</b>				
Interest, interfund advances	75,752	75,752	53,723	(22,029)
Interest (loss) on temporary investments	100,000	100,000	(67,458)	(167,458)
	<u>175,752</u>	<u>175,752</u>	<u>(13,735)</u>	<u>(189,487)</u>
<b>Miscellaneous</b>				
Rent of municipal buildings	2,200	2,200	1,200	(1,000)
Donations	-	-	4,457	4,457
Miscellaneous	54,988	54,988	96,558	41,570
	<u>57,188</u>	<u>57,188</u>	<u>102,215</u>	<u>45,027</u>

# City of River Falls

Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual -  
General Fund  
Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Other Financing Sources</b>				
Transfers from other funds	\$ 1,988,537	\$ 1,988,537	\$ 1,949,615	\$ (38,922)
Property sales	<u>15,000</u>	<u>15,000</u>	<u>16,414</u>	<u>1,414</u>
Total other financing sources	<u>2,003,537</u>	<u>2,003,537</u>	<u>1,966,029</u>	<u>(37,508)</u>
Total revenues and other financing sources	<u>\$ 11,711,073</u>	<u>\$ 11,711,073</u>	<u>\$ 11,632,085</u>	<u>\$ (78,988)</u>

## City of River Falls

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

General Fund

Year Ended December 31, 2022

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance With Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>General Government</b>				
Council	\$ 315,717	\$ 315,717	\$ 191,476	\$ 124,241
Municipal court	139,541	139,541	132,081	7,460
City administrator	622,989	622,989	577,269	45,720
Personnel	407,854	407,854	446,228	(38,374)
Clerk	197,128	197,128	287,393	(90,265)
Finance	336,279	336,279	338,635	(2,356)
Legal counseling	<u>54,300</u>	<u>54,300</u>	<u>65,538</u>	<u>(11,238)</u>
Total general government	<u>2,073,808</u>	<u>2,073,808</u>	<u>2,038,620</u>	<u>35,188</u>
<b>Public Safety</b>				
Police	3,646,461	3,863,661	3,851,617	12,044
Fire department	<u>673,562</u>	<u>673,562</u>	<u>682,972</u>	<u>(9,410)</u>
Total public safety	<u>4,320,023</u>	<u>4,537,223</u>	<u>4,534,589</u>	<u>2,634</u>
<b>Public Works</b>				
Garage	395,375	395,375	379,251	16,124
Street maintenance	1,752,508	1,752,508	1,793,517	(41,009)
Engineer	<u>282,855</u>	<u>282,855</u>	<u>206,205</u>	<u>76,650</u>
Total public works	<u>2,430,738</u>	<u>2,430,738</u>	<u>2,378,973</u>	<u>51,765</u>
<b>Health Services</b>				
Animal control	<u>3,775</u>	<u>3,775</u>	<u>351</u>	<u>3,424</u>
Total health services	<u>3,775</u>	<u>3,775</u>	<u>351</u>	<u>3,424</u>
<b>Leisure Activities</b>				
Recreation	156,435	168,235	175,793	(7,558)
Swimming	124,190	124,190	109,368	14,822
Parks	<u>656,054</u>	<u>656,054</u>	<u>663,250</u>	<u>(7,196)</u>
Total leisure activities	<u>936,679</u>	<u>948,479</u>	<u>948,411</u>	<u>68</u>
<b>Conservation and Development</b>				
Forestry	73,855	149,455	213,403	(63,948)
Community development	<u>856,379</u>	<u>953,379</u>	<u>889,388</u>	<u>63,991</u>
Total conservation and development	<u>930,234</u>	<u>1,102,834</u>	<u>1,102,791</u>	<u>43</u>
<b>Debt Service</b>				
Principal on notes payable, fire	92,500	92,500	92,500	-
Principal retirements	164,500	164,500	164,488	12
Interest on notes payable, fire	24,630	24,630	24,626	4
Interest and fiscal charges	9,615	9,615	9,634	(19)
Paying agent fees	<u>60</u>	<u>60</u>	<u>125</u>	<u>(65)</u>
Total debt service	<u>291,305</u>	<u>291,305</u>	<u>291,373</u>	<u>(68)</u>

**City of River Falls**

Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual -  
General Fund  
Year Ended December 31, 2022

	<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>\$ 724,511</u>	<u>\$ 724,511</u>	<u>\$ 724,511</u>	<u>\$ -</u>
Total other financing uses	<u>724,511</u>	<u>724,511</u>	<u>724,511</u>	<u>-</u>
Total expenditures and other financing uses	<u>\$ 11,711,073</u>	<u>\$ 12,112,673</u>	<u>\$ 12,019,619</u>	<u>\$ 93,054</u>

# City of River Falls

Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2022

	<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	\$ 63,878	\$ -	\$ 30,225	\$ 1,743,240	\$ 1,125
Receivables:					
Taxes	-	-	-	-	-
Accounts	-	99,402	-	9,355	-
Accrued interest	-	-	-	3,420	-
Loans	-	-	-	-	-
Prepaid items	-	3	-	-	-
Advances to other funds	-	-	-	1,500,000	-
Total assets	<u>\$ 63,878</u>	<u>\$ 99,405</u>	<u>\$ 30,225</u>	<u>\$ 3,256,015</u>	<u>\$ 1,125</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ 1,093	\$ -	\$ 14,934	\$ 230	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	130,524	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	<u>1,093</u>	<u>130,524</u>	<u>14,934</u>	<u>230</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	-	-	-	-	-
Unavailable revenues	-	-	2,250	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>2,250</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	3	-	-	-
Restricted	62,785	-	13,041	3,255,785	-
Committed	-	-	-	-	1,125
Unassigned (deficit)	-	(31,122)	-	-	-
Total fund balances (deficit)	<u>62,785</u>	<u>(31,119)</u>	<u>13,041</u>	<u>3,255,785</u>	<u>1,125</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 63,878</u>	<u>\$ 99,405</u>	<u>\$ 30,225</u>	<u>\$ 3,256,015</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>
\$ 8,794	\$ 91,708	\$ 18,921	\$ 14,383	\$ -	\$ 42,034	\$ 1,504,958
487,360	33,122	73,878	50,157	11,892	25,628	108,200
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	17	-
-	-	-	-	-	-	-
<u>\$ 496,154</u>	<u>\$ 124,830</u>	<u>\$ 92,799</u>	<u>\$ 64,540</u>	<u>\$ 11,892</u>	<u>\$ 67,679</u>	<u>\$ 1,613,158</u>
\$ 1,440	\$ -	\$ -	\$ -	\$ -	\$ 4,074	\$ 121,911
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	134,704	-	-
-	917,045	-	343,589	164,612	566,838	-
-	-	-	-	-	-	-
<u>1,440</u>	<u>917,045</u>	<u>-</u>	<u>343,589</u>	<u>299,316</u>	<u>570,912</u>	<u>121,911</u>
487,360	33,122	73,878	50,157	11,892	25,628	108,200
-	-	-	-	-	-	-
<u>487,360</u>	<u>33,122</u>	<u>73,878</u>	<u>50,157</u>	<u>11,892</u>	<u>25,628</u>	<u>108,200</u>
-	-	-	-	-	17	-
7,354	-	18,921	-	-	-	1,383,047
-	-	-	-	-	-	-
-	(825,337)	-	(329,206)	(299,316)	(528,878)	-
<u>7,354</u>	<u>(825,337)</u>	<u>18,921</u>	<u>(329,206)</u>	<u>(299,316)</u>	<u>(528,861)</u>	<u>1,383,047</u>
<u>\$ 496,154</u>	<u>\$ 124,830</u>	<u>\$ 92,799</u>	<u>\$ 64,540</u>	<u>\$ 11,892</u>	<u>\$ 67,679</u>	<u>\$ 1,613,158</u>

# City of River Falls

Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2022

	<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>Assets</b>					
Cash and investments	\$ -	\$ 571,691	\$ 5,276	\$ -	\$ -
Receivables:					
Taxes	403,486	112,251	174,770	90,651	731
Accounts	-	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 403,486</u>	<u>\$ 683,942</u>	<u>\$ 180,046</u>	<u>\$ 90,651</u>	<u>\$ 731</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 50,664	\$ 534	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	4,690	-	-	-	-
Due to other funds	349,854	-	-	16,731	17,947
Advances from other funds	-	600,000	800,000	-	504,571
Unearned revenues	-	2,500	-	-	-
Total liabilities	<u>354,544</u>	<u>602,500</u>	<u>850,664</u>	<u>17,265</u>	<u>522,518</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	403,486	112,251	174,770	90,651	731
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>403,486</u>	<u>112,251</u>	<u>174,770</u>	<u>90,651</u>	<u>731</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	-	-	-
Committed	-	-	-	-	-
Unassigned (deficit)	<u>(354,544)</u>	<u>(30,809)</u>	<u>(845,388)</u>	<u>(17,265)</u>	<u>(522,518)</u>
Total fund balances (deficit)	<u>(354,544)</u>	<u>(30,809)</u>	<u>(845,388)</u>	<u>(17,265)</u>	<u>(522,518)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 403,486</u>	<u>\$ 683,942</u>	<u>\$ 180,046</u>	<u>\$ 90,651</u>	<u>\$ 731</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>
\$ 349,291	\$ -	\$ 533,039	\$ 59,195	\$ -	\$ 512,375	\$ 147,577
867,000	-	-	-	-	-	-
3,168	-	-	-	-	-	-
-	-	-	-	-	-	-
-	127,798	-	-	-	386,805	-
3,502	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,222,961</u>	<u>\$ 127,798</u>	<u>\$ 533,039</u>	<u>\$ 59,195</u>	<u>\$ -</u>	<u>\$ 899,180</u>	<u>\$ 147,577</u>
\$ 31,080	\$ -	\$ -	\$ -	\$ 152	\$ -	\$ 1,800
11,475	-	-	-	-	-	-
-	-	-	-	-	-	-
-	32,855	-	-	25,539	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>42,555</u>	<u>32,855</u>	<u>-</u>	<u>-</u>	<u>25,691</u>	<u>-</u>	<u>1,800</u>
867,000	-	-	-	-	-	-
-	127,798	-	-	-	386,805	-
<u>867,000</u>	<u>127,798</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>386,805</u>	<u>-</u>
3,502	-	-	-	-	-	-
309,904	-	533,039	59,195	-	512,375	145,777
-	-	-	-	-	-	-
-	(32,855)	-	-	(25,691)	-	-
<u>313,406</u>	<u>(32,855)</u>	<u>533,039</u>	<u>59,195</u>	<u>(25,691)</u>	<u>512,375</u>	<u>145,777</u>
<u>\$ 1,222,961</u>	<u>\$ 127,798</u>	<u>\$ 533,039</u>	<u>\$ 59,195</u>	<u>\$ -</u>	<u>\$ 899,180</u>	<u>\$ 147,577</u>

# City of River Falls

Combining Balance Sheet -  
Nonmajor Governmental Funds  
December 31, 2022

	<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	\$ 290,448	\$ 1,616,616	\$ 17,854	\$ 13,474	\$ 769,772
Receivables:					
Taxes	2,500	-	550,254	498,847	89,000
Accounts	36,504	-	-	-	-
Accrued interest	-	-	-	-	-
Loans	-	-	-	-	-
Prepaid items	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Total assets	<u>\$ 329,452</u>	<u>\$ 1,616,616</u>	<u>\$ 568,108</u>	<u>\$ 512,321</u>	<u>\$ 858,772</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances (Deficit)</b>					
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-
Deposits	-	-	-	-	-
Due to other funds	-	-	-	22,040	-
Advances from other funds	1,000,000	-	-	-	-
Unearned revenues	-	1,616,359	-	-	-
Total liabilities	<u>1,000,000</u>	<u>1,616,359</u>	<u>-</u>	<u>22,040</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>					
Unearned revenues	2,500	-	550,254	498,847	89,000
Unavailable revenues	-	-	-	-	-
Total deferred inflows of resources	<u>2,500</u>	<u>-</u>	<u>550,254</u>	<u>498,847</u>	<u>89,000</u>
<b>Fund Balances (Deficit)</b>					
Nonspendable	-	-	-	-	-
Restricted	-	-	17,854	-	-
Committed	-	257	-	-	769,772
Unassigned (deficit)	(673,048)	-	-	(8,566)	-
Total fund balances (deficit)	<u>(673,048)</u>	<u>257</u>	<u>17,854</u>	<u>(8,566)</u>	<u>769,772</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 329,452</u>	<u>\$ 1,616,616</u>	<u>\$ 568,108</u>	<u>\$ 512,321</u>	<u>\$ 858,772</u>

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**Total  
Nonmajor  
Governmental  
Funds**

\$ 8,405,874  
3,579,727  
148,429  
3,420  
514,603  
3,522  
1,500,000  
\$ 14,155,575

\$ 227,912  
11,475  
4,690  
730,194  
4,896,655  
1,618,859  
7,489,785

3,579,727  
516,853  
4,096,580

3,522  
6,319,077  
771,154  
(4,524,543)  
2,569,210

\$ 14,155,575

# City of River Falls

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2022

	<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	-	-	191,789	-	-
Public charges for services	-	990,138	-	97,828	-
Investment income (loss)	950	-	519	(46,778)	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>950</u>	<u>990,138</u>	<u>192,308</u>	<u>51,050</u>	<u>-</u>
<b>Expenditures</b>					
Current:					
Public safety	2,233	-	-	-	-
Public works	-	1,032,548	199,907	-	-
Leisure activities	-	-	-	-	-
Conservation and development	-	-	-	55,579	-
Capital outlay	-	-	423	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>2,233</u>	<u>1,032,548</u>	<u>200,330</u>	<u>55,579</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(1,283)</u>	<u>(42,410)</u>	<u>(8,022)</u>	<u>(4,529)</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Transfers from other funds	-	-	19,568	-	-
Transfer to other funds	-	(28,337)	(8,704)	(2,510)	-
Property sales	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>(28,337)</u>	<u>10,864</u>	<u>(2,510)</u>	<u>-</u>
Net change in fund balances	<u>(1,283)</u>	<u>(70,747)</u>	<u>2,842</u>	<u>(7,039)</u>	<u>-</u>
<b>Fund Balances (Deficit), Beginning</b>	<u>64,068</u>	<u>39,628</u>	<u>10,199</u>	<u>3,262,824</u>	<u>1,125</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ 62,785</u>	<u>\$ (31,119)</u>	<u>\$ 13,041</u>	<u>\$ 3,255,785</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>
\$ 467,421	\$ 180,160	\$ 70,359	\$ 84,106	\$ 6,690	\$ 38,373	\$ 68,037
-	-	-	-	-	-	-
31,709	471	-	4,119	467	-	-
-	-	-	-	-	-	-
3,534	1,250	2,391	1,264	-	1,910	14,585
<u>6,820</u>	<u>44,474</u>	<u>-</u>	<u>32,358</u>	<u>-</u>	<u>5,955</u>	<u>-</u>
<u>509,484</u>	<u>226,355</u>	<u>72,750</u>	<u>121,847</u>	<u>7,157</u>	<u>46,238</u>	<u>82,622</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,458	658	1,274	70,658	1,504	7,154	-
-	-	-	-	-	-	162,769
195,000	135,000	-	29,928	-	-	-
<u>61,798</u>	<u>30,220</u>	<u>-</u>	<u>1,768</u>	<u>-</u>	<u>-</u>	<u>23,797</u>
<u>265,256</u>	<u>165,878</u>	<u>1,274</u>	<u>102,354</u>	<u>1,504</u>	<u>7,154</u>	<u>186,566</u>
<u>244,228</u>	<u>60,477</u>	<u>71,476</u>	<u>19,493</u>	<u>5,653</u>	<u>39,084</u>	<u>(103,944)</u>
-	-	-	-	-	-	905,000
-	-	-	-	-	-	29,159
-	-	-	31,680	-	-	-
(226,336)	(6,394)	(22,893)	(18,180)	(5,478)	(21,297)	(49,346)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>344,656</u>
<u>(226,336)</u>	<u>(6,394)</u>	<u>(22,893)</u>	<u>13,500</u>	<u>(5,478)</u>	<u>(21,297)</u>	<u>1,229,469</u>
17,892	54,083	48,583	32,993	175	17,787	1,125,525
<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>\$ 7,354</u>	<u>\$ (825,337)</u>	<u>\$ 18,921</u>	<u>\$ (329,206)</u>	<u>\$ (299,316)</u>	<u>\$ (528,861)</u>	<u>\$ 1,383,047</u>

# City of River Falls

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2022

	<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	\$ 93,613	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Investment income (loss)	2	8,980	4,669	-	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>93,615</u>	<u>8,980</u>	<u>4,669</u>	<u>-</u>	<u>-</u>
<b>Expenditures</b>					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	9,497	748	-	4,236	802
Capital outlay	189,818	13,787	837,091	750,000	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>199,315</u>	<u>14,535</u>	<u>837,091</u>	<u>754,236</u>	<u>802</u>
Excess (deficiency) of revenues over expenditures	<u>(105,700)</u>	<u>(5,555)</u>	<u>(832,422)</u>	<u>(754,236)</u>	<u>(802)</u>
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	-	-	-	750,000	-
Premium on debt issued	-	-	-	-	-
Transfers from other funds	-	-	-	-	-
Transfer to other funds	(916)	-	-	-	-
Property sales	-	-	-	-	-
Total other financing sources (uses)	<u>(916)</u>	<u>-</u>	<u>-</u>	<u>750,000</u>	<u>-</u>
Net change in fund balances	(106,616)	(5,555)	(832,422)	(4,236)	(802)
<b>Fund Balances (Deficit), Beginning</b>	<u>(247,928)</u>	<u>(25,254)</u>	<u>(12,966)</u>	<u>(13,029)</u>	<u>(521,716)</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ (354,544)</u>	<u>\$ (30,809)</u>	<u>\$ (845,388)</u>	<u>\$ (17,265)</u>	<u>\$ (522,518)</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>
\$ 850,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
381,702	-	-	-	-	-	-
3,107	-	92,952	32,792	38,413	-	-
8,590	4,577	7,958	628	-	13,509	2,242
<u>29,541</u>	<u>30,794</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,582</u>	<u>7,609</u>
<u>1,272,940</u>	<u>35,371</u>	<u>100,910</u>	<u>33,420</u>	<u>38,413</u>	<u>50,091</u>	<u>9,851</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,078,762	-	-	-	-	-	17,897
-	-	-	-	-	-	-
55,714	-	-	-	3,971	-	-
-	-	-	-	27,000	-	-
-	-	-	-	<u>5,389</u>	-	-
<u>1,134,476</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36,360</u>	<u>-</u>	<u>17,897</u>
<u>138,464</u>	<u>35,371</u>	<u>100,910</u>	<u>33,420</u>	<u>2,053</u>	<u>50,091</u>	<u>(8,046)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
99,029	-	-	-	3,375	-	-
(175,738)	(1,785)	(5,319)	(99,125)	(977)	(124)	(1,326)
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(76,709)</u>	<u>(1,785)</u>	<u>(5,319)</u>	<u>(99,125)</u>	<u>2,398</u>	<u>(124)</u>	<u>(1,326)</u>
61,755	33,586	95,591	(65,705)	4,451	49,967	(9,372)
<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>\$ 313,406</u>	<u>\$ (32,855)</u>	<u>\$ 533,039</u>	<u>\$ 59,195</u>	<u>\$ (25,691)</u>	<u>\$ 512,375</u>	<u>\$ 145,777</u>

## City of River Falls

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 Nonmajor Governmental Funds  
 Year Ended December 31, 2022

	<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	\$ 157,776	\$ -	\$ 572,318	\$ 495,336	\$ 148,495
Special assessments	2,500	-	-	-	-
Intergovernmental	-	-	-	-	-
Public charges for services	-	-	-	-	-
Investment income (loss)	4,730	-	1,874	1,379	13,473
Miscellaneous	-	-	-	64,217	6,141
Total revenues	<u>165,006</u>	<u>-</u>	<u>574,192</u>	<u>560,932</u>	<u>168,109</u>
<b>Expenditures</b>					
Current:					
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Leisure activities	-	-	-	-	-
Conservation and development	126,769	-	-	-	-
Capital outlay	-	-	-	-	418,765
Debt service:					
Principal retirement	-	-	515,000	360,513	-
Interest and fiscal charges	-	-	182,550	169,739	-
Total expenditures	<u>126,769</u>	<u>-</u>	<u>697,550</u>	<u>530,252</u>	<u>418,765</u>
Excess (deficiency) of revenues over expenditures	<u>38,237</u>	<u>-</u>	<u>(123,358)</u>	<u>30,680</u>	<u>(250,656)</u>
<b>Other Financing Sources (Uses)</b>					
Long-term debt issued	-	-	-	-	-
Premium on debt issued	-	-	-	-	-
Transfers from other funds	13,000	-	149,312	-	-
Transfer to other funds	(51,366)	-	(24,230)	(19,383)	(8,195)
Property sales	-	-	-	-	-
Total other financing sources (uses)	<u>(38,366)</u>	<u>-</u>	<u>125,082</u>	<u>(19,383)</u>	<u>(8,195)</u>
Net change in fund balances	(129)	-	1,724	11,297	(258,851)
<b>Fund Balances (Deficit), Beginning</b>	<u>(672,919)</u>	<u>257</u>	<u>16,130</u>	<u>(19,863)</u>	<u>1,028,623</u>
<b>Fund Balances (Deficit), Ending</b>	<u>\$ (673,048)</u>	<u>\$ 257</u>	<u>\$ 17,854</u>	<u>\$ (8,566)</u>	<u>\$ 769,772</u>

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**Total  
Nonmajor  
Governmental  
Funds**

\$ 3,232,684  
2,500  
610,257  
  
1,255,230  
52,236  
264,491  
5,417,398  
  
2,233  
1,232,455  
1,096,659  
  
287,337  
2,432,338  
  
1,262,441  
475,261  
6,788,724  
  
(1,371,326)  
  
1,655,000  
29,159  
315,964  
(777,959)  
344,656  
  
1,566,820  
  
195,494  
  
2,373,716  
  
\$ 2,569,210

## City of River Falls

Combining Statement of Net Position -  
Nonmajor Enterprise Funds  
December 31, 2022

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 156,011	\$ 170,211	\$ 326,222
Receivables, net:			
Accounts	52,961	73,562	126,523
Leases	-	22,351	22,351
Prepaid items	<u>378</u>	<u>102</u>	<u>480</u>
Total current assets	<u>209,350</u>	<u>266,226</u>	<u>475,576</u>
Noncurrent assets:			
Net pension asset	71,883	-	71,883
Capital assets:			
Land	-	101,298	101,298
Construction in progress	796,877	-	796,877
Property and equipment	8,963,105	637,393	9,600,498
Less accumulated depreciation	(2,974,255)	(564,286)	(3,538,541)
Other assets:			
Leases receivable	<u>-</u>	<u>254,639</u>	<u>254,639</u>
Total noncurrent assets	<u>6,857,610</u>	<u>429,044</u>	<u>7,286,654</u>
Total assets	<u>7,066,960</u>	<u>695,270</u>	<u>7,762,230</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	<u>134,314</u>	<u>-</u>	<u>134,314</u>
Total deferred outflows of resources	<u>134,314</u>	<u>-</u>	<u>134,314</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	62,156	310	62,466
Customer deposits	30,000	-	30,000
Accrued liabilities	4,306	-	4,306
Current portion of compensated absences	<u>9,386</u>	<u>-</u>	<u>9,386</u>
Total current liabilities	<u>105,848</u>	<u>310</u>	<u>106,158</u>
Total liabilities	<u>105,848</u>	<u>310</u>	<u>106,158</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	153,802	-	153,802
Lease related amounts	<u>-</u>	<u>276,990</u>	<u>276,990</u>
Total deferred inflows of resources	<u>153,802</u>	<u>276,990</u>	<u>430,792</u>
<b>Net Position</b>			
Net investment in capital assets	6,785,727	174,405	6,960,132
Restricted for pension	71,883	-	71,883
Unrestricted	<u>84,014</u>	<u>243,565</u>	<u>327,579</u>
Total net position	<u>\$ 6,941,624</u>	<u>\$ 417,970</u>	<u>\$ 7,359,594</u>

## City of River Falls

Combining Statement of Revenues, Expenses and Changes in Fund Net Position -  
Nonmajor Enterprise Funds  
Year Ended December 31, 2022

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Operating Revenues</b>			
Public charges for services	\$ 591,152	\$ 339,032	\$ 930,184
Total operating revenues	<u>591,152</u>	<u>339,032</u>	<u>930,184</u>
<b>Operating Expenses</b>			
Operation and maintenance	417,090	588,136	1,005,226
Depreciation	<u>153,314</u>	<u>25,245</u>	<u>178,559</u>
Total operating expenses	<u>570,404</u>	<u>613,381</u>	<u>1,183,785</u>
Operating income (loss)	<u>20,748</u>	<u>(274,349)</u>	<u>(253,601)</u>
<b>Nonoperating Revenues (Expenses)</b>			
Intergovernmental	-	5,199	5,199
Investment income	6,435	4,557	10,992
Interest and fiscal charges	(2,415)	-	(2,415)
Miscellaneous	<u>2,457</u>	<u>1,290</u>	<u>3,747</u>
Total nonoperating revenues (expenses)	<u>6,477</u>	<u>11,046</u>	<u>17,523</u>
Income (loss) before transfers	<u>27,225</u>	<u>(263,303)</u>	<u>(236,078)</u>
<b>Transfers</b>			
Transfers to other funds	<u>(41,185)</u>	<u>(13,384)</u>	<u>(54,569)</u>
Total transfers	<u>(41,185)</u>	<u>(13,384)</u>	<u>(54,569)</u>
Change in net position	(13,960)	(276,687)	(290,647)
<b>Net Position, Beginning</b>	<u>6,955,584</u>	<u>694,657</u>	<u>7,650,241</u>
<b>Net Position, Ending</b>	<u>\$ 6,941,624</u>	<u>\$ 417,970</u>	<u>\$ 7,359,594</u>

## City of River Falls

Combining Statement of Cash Flows -  
Nonmajor Enterprise Funds  
Year Ended December 31, 2022

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 572,987	\$ 615,721	\$ 1,188,708
Paid to suppliers for goods and services	(205,375)	(583,287)	(788,662)
Paid to employees for services	(209,113)	(5,320)	(214,433)
Net cash flows from operating activities	<u>158,499</u>	<u>27,114</u>	<u>185,613</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>6,435</u>	<u>4,557</u>	<u>10,992</u>
Net cash flows from investing activities	<u>6,435</u>	<u>4,557</u>	<u>10,992</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to other funds	<u>(41,185)</u>	<u>(13,384)</u>	<u>(54,569)</u>
Net cash flows from noncapital financing activities	<u>(41,185)</u>	<u>(13,384)</u>	<u>(54,569)</u>
<b>Cash Flows From Capital and Related Financing Activities</b>			
Interest paid	(2,415)	-	(2,415)
Acquisition and construction of capital assets	<u>(679,794)</u>	<u>-</u>	<u>(679,794)</u>
Net cash flows from capital and related financing activities	<u>(682,209)</u>	<u>-</u>	<u>(682,209)</u>
Net change in cash and cash equivalents	(558,460)	18,287	(540,173)
<b>Cash and Cash Equivalents, Beginning</b>	<u>714,471</u>	<u>151,924</u>	<u>866,395</u>
<b>Cash and Cash Equivalents, Ending</b>	<u>\$ 156,011</u>	<u>\$ 170,211</u>	<u>\$ 326,222</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>			
Operating income (loss)	\$ 20,748	\$ (274,349)	\$ (253,601)
Nonoperating revenue	2,457	6,489	8,946
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	153,314	25,245	178,559
Changes in assets, deferred outflows of resources, liabilities and deferred inflows of resources:			
Accounts receivable	(622)	270,200	269,578
Prepaid items	97	(16)	81
Accounts payable	8,492	(290)	8,202
Accrued liabilities	12,044	(165)	11,879
Customer deposits	(20,000)	-	(20,000)
Pension related deferrals and asset/liability	<u>(18,031)</u>	<u>-</u>	<u>(18,031)</u>
Net cash flows from operating activities	<u>\$ 158,499</u>	<u>\$ 27,114</u>	<u>\$ 185,613</u>

## City of River Falls

Combining Statement of Net Position -  
Internal Service Funds  
December 31, 2022

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 125,132	\$ -	\$ 89,211
Lease receivable	21,519	-	-
Prepaid items	<u>788</u>	<u>109</u>	<u>100,052</u>
Total current assets	<u>147,439</u>	<u>109</u>	<u>189,263</u>
Noncurrent assets:			
Net pension asset	-	-	87,177
Capital assets:			
Property and equipment	-	18,075	525,268
Less accumulated depreciation	<u>-</u>	<u>(14,158)</u>	<u>(474,587)</u>
Total noncurrent assets	<u>-</u>	<u>3,917</u>	<u>137,858</u>
Total assets	<u>147,439</u>	<u>4,026</u>	<u>327,121</u>
<b>Deferred Outflows of Resources</b>			
Pension related amounts	<u>-</u>	<u>-</u>	<u>150,309</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>150,309</u>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	19,187	255	6,070
Accrued liabilities	-	-	5,171
Due to other funds	-	32,038	-
Compensated absences	<u>-</u>	<u>-</u>	<u>11,942</u>
Total current liabilities	<u>19,187</u>	<u>32,293</u>	<u>23,183</u>
Total liabilities	<u>19,187</u>	<u>32,293</u>	<u>23,183</u>
<b>Deferred Inflows of Resources</b>			
Pension related amounts	-	-	187,101
Lease related amounts	<u>21,519</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>21,519</u>	<u>-</u>	<u>187,101</u>
<b>Net Position</b>			
Net investment in capital assets	-	3,917	50,681
Restricted for pension	-	-	87,177
Unrestricted (deficit)	<u>106,733</u>	<u>(32,184)</u>	<u>129,288</u>
Total net position	<u>\$ 106,733</u>	<u>\$ (28,267)</u>	<u>\$ 267,146</u>

<u>Maintenance</u>	<u>Total</u>
\$ 61,000	\$ 275,343
-	21,519
<u>598</u>	<u>101,547</u>
<u>61,598</u>	<u>398,409</u>
104,887	192,064
-	543,343
<u>-</u>	<u>(488,745)</u>
<u>104,887</u>	<u>246,662</u>
<u>166,485</u>	<u>645,071</u>
<u>182,433</u>	<u>332,742</u>
<u>182,433</u>	<u>332,742</u>
2,573	28,085
4,863	10,034
57,921	89,959
<u>9,240</u>	<u>21,182</u>
<u>74,597</u>	<u>149,260</u>
<u>74,597</u>	<u>149,260</u>
231,265	418,366
<u>-</u>	<u>21,519</u>
<u>231,265</u>	<u>439,885</u>
-	54,598
104,887	192,064
<u>(61,831)</u>	<u>142,006</u>
<u>\$ 43,056</u>	<u>\$ 388,668</u>

## City of River Falls

Combining Statement of Revenues, Expenses and Changes in Fund Net Position -  
Internal Service Funds  
Year Ended December 31, 2022

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
<b>Operating Revenues</b>			
Public charges for services	\$ 261,032	\$ -	\$ 43,200
Total operating revenues	<u>261,032</u>	<u>-</u>	<u>43,200</u>
<b>Operating Expenses</b>			
Operation and maintenance	203,266	30,616	730,098
Depreciation expense	<u>-</u>	<u>3,615</u>	<u>47,457</u>
Total operating expenses	<u>203,266</u>	<u>34,231</u>	<u>777,555</u>
Operating income (loss)	<u>57,766</u>	<u>(34,231)</u>	<u>(734,355)</u>
<b>Nonoperating Revenues</b>			
Investment income	1,169	-	1,772
Miscellaneous	<u>-</u>	<u>1,337</u>	<u>590</u>
Total nonoperating revenues	<u>1,169</u>	<u>1,337</u>	<u>2,362</u>
Income (loss) before transfers	<u>58,935</u>	<u>(32,894)</u>	<u>(731,993)</u>
<b>Transfers</b>			
Transfers from other funds	135,409	22,091	788,322
Transfers to other funds	<u>(227,929)</u>	<u>(1,181)</u>	<u>(28,988)</u>
Total transfers	<u>(92,520)</u>	<u>20,910</u>	<u>759,334</u>
Change in net position	(33,585)	(11,984)	27,341
<b>Net Position (Deficit), Beginning</b>	<u>140,318</u>	<u>(16,283)</u>	<u>239,805</u>
<b>Net Position (Deficit), Ending</b>	<u>\$ 106,733</u>	<u>\$ (28,267)</u>	<u>\$ 267,146</u>

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<u>Maintenance</u>	<u>Total</u>
\$ -	\$ 304,232
-	304,232
330,422	1,294,402
-	51,072
<u>330,422</u>	<u>1,345,474</u>
<u>(330,422)</u>	<u>(1,041,242)</u>
47	2,988
<u>1,707</u>	<u>3,634</u>
<u>1,754</u>	<u>6,622</u>
<u>(328,668)</u>	<u>(1,034,620)</u>
369,276	1,315,098
<u>(63,538)</u>	<u>(321,636)</u>
<u>305,738</u>	<u>993,462</u>
(22,930)	(41,158)
<u>65,986</u>	<u>429,826</u>
<u>\$ 43,056</u>	<u>\$ 388,668</u>

## City of River Falls

Combining Statement of Cash Flows -  
Internal Service Funds  
Year Ended December 31, 2022

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>
<b>Cash Flows From Operating Activities</b>			
Received from customers	\$ 262,786	\$ 1,337	\$ 43,790
Paid to suppliers for goods and services	(191,384)	(22,693)	(614,035)
Paid to employees for services	<u>-</u>	<u>-</u>	<u>(232,740)</u>
Net cash flows from operating activities	<u>71,402</u>	<u>(21,356)</u>	<u>(802,985)</u>
<b>Cash Flows From Investing Activities</b>			
Investment income	<u>1,169</u>	<u>-</u>	<u>1,772</u>
Net cash flows from investing activities	<u>1,169</u>	<u>-</u>	<u>1,772</u>
<b>Cash Flows From Noncapital Financing Activities</b>			
Transfers to/from other funds	<u>(92,520)</u>	<u>20,910</u>	<u>759,334</u>
Net cash flows from noncapital financing activities	<u>(92,520)</u>	<u>20,910</u>	<u>759,334</u>
Net change in cash and cash equivalents	(19,949)	(446)	(41,879)
<b>Cash and Cash Equivalents, Beginning</b>	<u>145,081</u>	<u>446</u>	<u>131,090</u>
<b>Cash and Cash Equivalents, Ending</b>	<u><u>\$ 125,132</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 89,211</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Flows From Operating Activities</b>			
Operating income (loss)	\$ 57,766	\$ (34,231)	\$ (734,355)
Nonoperating revenue	-	1,337	590
Adjustments to reconcile operating income (loss) to net cash flows from operating activities:			
Depreciation	-	3,615	47,457
Changes in assets and liabilities:			
Other receivables	1,754	-	-
Prepaid items	1,752	(15)	(90,837)
Due from other funds	-	7,846	-
Accounts payable	10,130	92	1,963
Due to other funds	-	-	-
Accrued liabilities	-	-	13,401
Pension related deferrals and asset/liability	<u>-</u>	<u>-</u>	<u>(41,204)</u>
Net cash flows from operating activities	<u><u>\$ 71,402</u></u>	<u><u>\$ (21,356)</u></u>	<u><u>\$ (802,985)</u></u>
<b>Noncash Capital and Related Financing Activities</b>			
None			

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<u>Maintenance</u>	<u>Total</u>
\$ 1,707	\$ 309,620
(64,113)	(892,225)
<u>(227,740)</u>	<u>(460,480)</u>
<u>(290,146)</u>	<u>(1,043,085)</u>
<u>47</u>	<u>2,988</u>
<u>47</u>	<u>2,988</u>
<u>305,738</u>	<u>993,462</u>
<u>305,738</u>	<u>993,462</u>
15,639	(46,635)
<u>45,361</u>	<u>321,978</u>
<u>\$ 61,000</u>	<u>\$ 275,343</u>

\$ (330,422)	\$ (1,041,242)
1,707	3,634
-	51,072
-	1,754
(95)	(89,195)
-	7,846
2,221	14,406
57,921	57,921
9,996	23,397
<u>(31,474)</u>	<u>(72,678)</u>
<u>\$ (290,146)</u>	<u>\$ (1,043,085)</u>

## City of River Falls

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Balance Sheet -  
Governmental Component Unit  
December 31, 2022

	<b>Business Improvement District</b>
<b>Assets</b>	
Cash and investments	\$ 63,840
Special assessments receivable	<u>42,000</u>
Total assets	<u>\$ 105,840</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>63,840</u>
Total deferred inflows of resources and fund balances	<u>\$ 105,840</u>
<b>Reconciliation of Fund Balance to Net Position</b>	
Fund balance at year-end	\$ 63,840
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>\$ 105,840</u>

## City of River Falls

Statement of Revenues, Expenditures and Changes in Fund Balance -  
Governmental Component Unit  
Year Ended December 31, 2022

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	<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>35,843</u>
Total expenditures	<u>35,843</u>
Change in fund balance	6,157
<b>Fund Balance, Beginning</b>	<u>57,683</u>
<b>Fund Balance, Ending</b>	<u>\$ 63,840</u>

**City of River Falls**

## Insurance Summary

Year Ended December 31, 2022

<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	\$112,376,374	\$5,000 - \$100,000	8/1/22-8/1/23
Crime	Travelers Prop Casualty Co of America	630-7J057507	\$500,000	\$5,000	8/1/22-8/1/23
Inland Marine	Travelers Prop Casualty Co of America	630-7J057507	\$3,749,437	\$1,000 - \$50,000	8/1/22-8/1/23
General Liability	USI Insurance Services	ZLP-51M85218	\$2,000,000	NA	8/1/22-8/1/23
Law Enforcement Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$5,000	8/1/22-8/1/23
Employee Benefits	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$1,000,000	\$1,000	8/1/22-8/1/23
Management Liability	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$5,000/\$50,000	8/1/22-8/1/23
Management Liability-Related to Practices	The Charter Oak Fire Insurance Co	ZLP-51M85218	\$2,000,000	\$10,000	8/1/22-8/1/23
Business Automobile	The Charter Oak Fire Insurance Co	810-2C413439	\$2,000,000	\$1,000 - \$2,500	8/1/22-8/1/23
Commercial Umbrella	Travelers Prop Casualty Co of America	ZUP-91M84121	\$5,000,000	NA	8/1/22-8/1/23
Workers Compensation	The Travelers Indemnity Co of CT	UB-8L703398	\$500,000	NA	8/1/22-8/1/23
Equipment Breakdown	Travelers Prop Casualty Co of America	BME1-7J262816-TIL-21	\$50,000,000	\$5,000 - \$50,000	8/1/22-8/1/23
Network Security & Privacy Liability	Palomar Excess and Surplus Insurance C	PRIME 250SL	\$2,000,000	\$25,000	8/1/22-8/1/23

## City of River Falls

Water Utility Revenue Bond Disclosure -  
Water Sales to General Customers  
Year Ended December 31, 2022

	<b>Average Customer Count</b>	<b>Gallons Sold (000's)</b>
Residential	4,702	181,445
Commercial	303	40,851
Industrial	20	21,225
Public Authority	75	39,298
Multi-Family Residential	79	36,786
Irrigation	929	85,055
	<b>6,108</b>	<b>404,660</b>

Electric Utility Revenue Bond Disclosure -  
Electric Sales to General Customers  
Year Ended December 31, 2022

	<b>Average Customer Count</b>	<b>Kilowatt Hours (000's)</b>
Residential	6,119	49,420
Rural	295	2,826
Small Commercial	605	11,785
Industrial	70	41,559
Street & Highway Lighting	10	97
Public Authority	154	25,949
	<b>7,253</b>	<b>131,636</b>