

# **CITY OF RIVER FALLS**

River Falls, Wisconsin

## **FINANCIAL STATEMENTS**

Including Independent Auditors' Report

As of and for the Year Ended December 31, 2015

# CITY OF RIVER FALLS

## TABLE OF CONTENTS As of and for the Year Ended December 31, 2015

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	<u>Page(s)</u>
Independent Auditors' Report	i - iii
Required Supplementary Information	
Management's Discussion and Analysis	iv - xiv
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	1 - 2
Statement of Activities	3 - 4
Fund Financial Statements	
Balance Sheet - Governmental Funds	5 - 6
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	7
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	8
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	9
Statement of Net Position - Proprietary Funds	10 - 13
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	14 - 15
Statement of Cash Flows - Proprietary Funds	16 - 19
Statement of Assets and Liabilities - Agency Fund	20
Index to Notes to Financial Statements	21
Notes to Financial Statements	22 - 76
Required Supplementary Information	
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - General Fund	77
Schedule of Funding Progress - Post-Employment Benefits	78
Schedule of Employer's Proportionate Share of the Net Pension Asset - Wisconsin Retirement System (WRS)	79
Schedule of Employer Contributions - Wisconsin Retirement System (WRS)	79
Notes to Required Supplementary Information	80

# CITY OF RIVER FALLS

## TABLE OF CONTENTS (cont.) As of and for the Year Ended December 31, 2015

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	<u>Page(s)</u>
Supplementary Information	
Detailed Schedule of Revenues and Other Financing Sources - Budget and Actual - General Fund	81 - 82
Detailed Schedule of Expenditures and Other Financing Uses - Budget and Actual - General Fund	83 - 84
Combining Balance Sheet - Nonmajor Governmental Funds	85 - 89
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	90 - 95
Combining Statement of Net Position - Nonmajor Enterprise Funds	96
Combining Statement of Revenue, Expenses and Changes in Fund Net Position - Nonmajor Enterprise Funds	97
Combining Statement of Cash Flows - Nonmajor Enterprise Funds	98
Combining Statement of Net Position - Internal Services Funds	99
Combining Statement of Revenues, Expenses and Changes in Fund Net Position - Internal Service Funds	100
Combining Statement of Cash Flows - Internal Service Funds	101
Balance Sheet - Governmental Component Unit	102
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Component Unit	103
Electric Utility Plant	104 - 105
Electric Utility Operating Revenues and Expenses	106 - 107
Water Utility Plant	108
Water Utility Operating Revenues and Expenses	109 - 110
Sewer Utility Plant	111
Sewer Utility Operating Revenues and Expenses	112 - 113
Insurance Summary	114
Revenue Bond Disclosure – Water Sales to General Customers	115

## INDEPENDENT AUDITORS' REPORT

To the City Council  
City of River Falls  
River Falls, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of River Falls, Wisconsin, as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City of River Falls' basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City of River Falls' preparation and fair presentation of the financial statements 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 of River Falls' internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

To the City Council  
City of River Falls

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate discretely presented component units and remaining fund information of the City of River Falls, Wisconsin, as of December 31, 2015 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.

### **Emphasis of Matter**

As discussed in Note I, the City of River Falls adopted the provisions of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*, effective January 1, 2015. Our opinions are not modified with respect to this matter.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of revenues, expenditures, and changes in fund balance - budget and actual - general fund, schedule of funding progress - post-employment benefits, schedule of employer's proportionate share of the net pension asset and schedule of employer contributions as listed in the table of contents be presented to supplement the basic financial statements. Such information, 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, 2015 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of River Falls' basic financial statements. The detailed budgetary comparison schedules, combining financial statements, component unit financial statements, utility plant schedules, and utility operating revenues and expenses statements for the year ended December 31, 2015 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended December 31, 2015, 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 detailed budgetary comparison schedules, combining financial statements, component unit financial statements, utility plant schedules, and utility operating revenues and expenses statements are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended December 31, 2015.

To the City Council  
City of River Falls

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, 2014 (not presented herein), and have issued our report thereon dated June 30, 2015, 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 units and remaining fund information. The utility operating revenues and expenses statements for the year ended December 31, 2014 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those financial statements or to those financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the utility operating revenues and expenses statements is fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended December 31, 2014.

*Baker Tilly Vichow Krause, LLP*

July 11, 2016

## **CITY OF RIVER FALLS, WISCONSIN MANAGEMENT'S DISCUSSION AND ANALYSIS**

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, 2015. This narrative is intended to offer readers an objective, easy to read reporting 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 overall increase in net position of \$4.1 million. Total expenses for the primary government were \$29.6 million as compared with \$29.8 million the previous year. Revenues for the period were \$33.6 million for a total net position of \$112.1 million at the end of 2015.

The City's governmental type funds reported combined ending fund balances of \$8.3 million at year end. Total assets increased \$2.2 million in part from the following events:

- Long term financing of \$1.6 million was obtained for property purchased for a future corporate park
- A grant of \$583,162 was received from FEMA and the State of Wisconsin in 2016 for a storm shelter located in Hoffman Park, with construction completed in 2015
- A pass through loan to the River Falls Housing Authority in the amount of \$269,800 was approved for the purchase of property for future housing projects

Year end results for the City's enterprise funds include operating income of \$2.9 million, and a positive change in net position of \$2.2 million. The River Falls Ambulance Service assumed management of emergency medical services to the City of Prescott and surrounding towns on January 1, 2015, and hired a new billing service on March 1, 2015. Operating revenues for the Ambulance increased to \$1.6 million and closed the year with an increase in net position of \$480,417.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components:

- 1) Government-wide financial statements
- 2) Fund financial statements
- 3) Notes to the financial statements

This report also contains other supplementary information in addition to the basic financial statements themselves.

**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 of the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the total of the assets and deferred outflows of resources less the total of the liabilities and deferred inflows of resources 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 public safety (police and fire services), public works (roads, traffic controls, and transit), culture and recreation (parks, library and recreation), community development, general government, 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 III.I. 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 – 4 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 and is typically the basis that is used in developing the next annual budget.

Because 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. 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.

The City is reporting three major governmental funds for 2015: General fund, Debt Service Bonds fund and General Capital Projects fund. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for these major funds. Data from all other non-major governmental funds is combined into a single aggregated presentation and are referenced under a single column as “Non-major Governmental Funds”. Individual fund data on each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all governmental funds as required by state statute. Budget comparisons have been provided for the general fund to demonstrate compliance with the adopted budget.

The basic governmental funds financial statements can be found on pages 5 – 9 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 10 – 19 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 page 20.

**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 21 – 76 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 budgetary comparison information and supplementary information that includes additional information for non-major governmental funds. Required supplementary information can be found on pages 77 – 80 of this report; supplementary information can be found on pages 81 – 115 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Position

Total net position increased by \$4.1 million or 3.7% to \$112.1 million at the close of fiscal year ended December 31, 2015. This increase is a combined result of increases to cash and investments, receivables, and capital assets. In addition, the implementation of GASB 68 (net pension asset) increases restricted asset and deferred resources by \$2.4 million.

Net investment in capital assets comprises the majority or 78.4% 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 \$17.1 million or 15.3% of the City's net position, which is an increase of \$3.6 million from the previous year. The total amount is allocated between business activities of \$12.9 million, \$2.4 million from governmental activities and a government-wide adjustment of \$1.8 million for capital assets owned by the business-type activities, but financed by the debt of the governmental activities. Unrestricted assets may be used to meet the City's ongoing obligations to citizens and creditors. 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 (6.4%), represent resources that are subject to internal or external restrictions on how they may be used. The tables below and the narrative that follows consider the operations of governmental and business-type activities separately.

**City of River Falls  
Summary of Net Position**

	Governmental Activities		Business-type Activities		Total	
	2015	2014	2015	2014	2015	2014
Current and Other Assets	\$ 20,308,023	\$ 17,734,964	\$ 16,549,882	\$ 15,558,444	\$ 36,857,905	\$ 33,293,408
Capital Assets	<u>60,244,062</u>	<u>58,024,963</u>	<u>51,205,004</u>	<u>51,381,237</u>	<u>111,449,066</u>	<u>109,406,200</u>
Total Assets	<u>80,552,085</u>	<u>75,759,927</u>	<u>67,754,886</u>	<u>66,939,681</u>	<u>148,306,971</u>	<u>142,699,608</u>
Deferred Outflows of Resources	<u>901,933</u>	<u>4,011</u>	<u>739,344</u>	<u>248,467</u>	<u>1,641,277</u>	<u>252,478</u>
Current Liabilities	2,991,065	2,813,142	1,421,964	1,513,587	4,413,029	4,326,729
Noncurrent Liabilities	<u>18,797,801</u>	<u>17,489,776</u>	<u>8,120,192</u>	<u>9,342,385</u>	<u>26,917,993</u>	<u>26,832,161</u>
Total Liabilities	<u>21,788,866</u>	<u>20,302,918</u>	<u>9,542,156</u>	<u>10,855,972</u>	<u>31,331,022</u>	<u>31,158,890</u>
Deferred Inflows of Resources	<u>6,520,925</u>	<u>6,178,511</u>	-	-	<u>6,520,925</u>	<u>6,178,511</u>
Net Investment in Capital Assets <sup>1</sup>	<u>45,498,303</u>	<u>44,675,043</u>	<u>44,124,132</u>	<u>43,203,180</u>	<u>87,829,930</u>	<u>87,878,223</u>
Restricted	<u>5,252,437</u>	<u>4,444,892</u>	<u>1,901,102</u>	<u>939,119</u>	<u>7,153,539</u>	<u>5,384,011</u>
Unrestricted <sup>1</sup>	<u>2,393,487</u>	<u>162,574</u>	<u>12,926,840</u>	<u>12,189,877</u>	<u>17,112,832</u>	<u>12,352,451</u>
Total Net Position	<u>\$ 53,144,227</u>	<u>\$ 49,282,509</u>	<u>\$ 58,952,074</u>	<u>\$ 56,332,176</u>	<u>\$ 112,096,301</u>	<u>\$ 105,614,685</u>
Total Net Position as a % of Total Liabilities/Deferred Inflows	188%	207%	618%	519%	296%	283%
Unrestricted Net Position as a % of Total Liabilities/Deferred Inflows	8%	1%	135%	112%	45%	33%

<sup>1</sup> See Note I.D.10 (pg 34) for detailed information of 2015 adjustments

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>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program revenues:						
Charges for services	\$962,189	\$1,059,559	\$20,529,316	\$19,647,242	\$21,491,505	\$20,706,801
Operating grants and contributions	1,803,552	1,680,660	7,149	7,236	1,810,701	1,687,896
Capital grants and contributions	585,805	953,590	506,647	1,004,738	1,092,452	1,958,328
General revenues:						
Property taxes	6,108,137	5,966,938			6,108,137	5,966,938
Other taxes	196,109	183,314			196,109	183,314
Intergovernmental	2,028,971	2,088,264			2,028,971	2,088,264
Investment earnings	77,301	87,408	29,880	71,193	107,181	158,601
Amortization of Gain			227,224	398,694	227,224	398,694
Miscellaneous	<u>529,123</u>	<u>762,240</u>	<u>43,428</u>	<u>118,990</u>	<u>572,551</u>	<u>881,230</u>
Total revenues	12,291,187	12,781,973	21,343,644	21,248,093	33,634,831	34,030,066
<b>Expenses</b>						
General government	2,055,542	2,017,263			2,055,542	2,017,263
Public safety	3,460,018	3,369,820			3,460,018	3,369,820
Public works	2,703,408	2,646,432			2,703,408	2,646,432
Health services	14,289	10,427			14,289	10,427
Leisure	1,807,310	2,135,758			1,807,310	2,135,758
Conservation and development	937,852	1,141,840			937,852	1,141,840
Interest and fiscal charges	551,832	522,726			551,832	522,726
Electric utility			12,393,923	12,684,400	12,393,923	12,684,400
Water utility			1,318,123	1,392,038	1,318,123	1,392,038
Sewer utility			2,598,382	2,526,831	2,598,382	2,526,831
Storm water utility			519,219	416,723	519,219	416,723
Ambulance service	<u>-</u>	<u>-</u>	<u>1,196,273</u>	<u>963,736</u>	<u>1,196,273</u>	<u>963,736</u>
Total expenses	<u>11,530,251</u>	<u>11,844,266</u>	<u>18,025,920</u>	<u>17,983,728</u>	<u>29,556,171</u>	<u>29,827,994</u>
Change in net position before transfers	760,936	937,707	3,317,724	3,264,365	4,078,660	4,202,072
Transfers	<u>1,327,493</u>	<u>1,207,532</u>	<u>(1,327,493)</u>	<u>(1,207,532)</u>	<u>-</u>	<u>-</u>
Increase in net position	2,088,429	2,145,239	1,990,231	2,056,833	4,078,660	4,202,072
*Net position January 1	<u>51,055,798</u>	<u>47,137,270</u>	<u>56,961,843</u>	<u>54,275,343</u>	<u>108,017,641</u>	<u>101,412,613</u>
Net position December 31	<u>\$ 53,144,227</u>	<u>\$ 49,282,509</u>	<u>\$ 58,952,074</u>	<u>\$ 56,332,176</u>	<u>\$ 112,096,301</u>	<u>\$ 105,614,685</u>

\* Net position has been restated as a result of GASB 68 implementation. Refer to page 60 for the adjustments

## Governmental Activities:

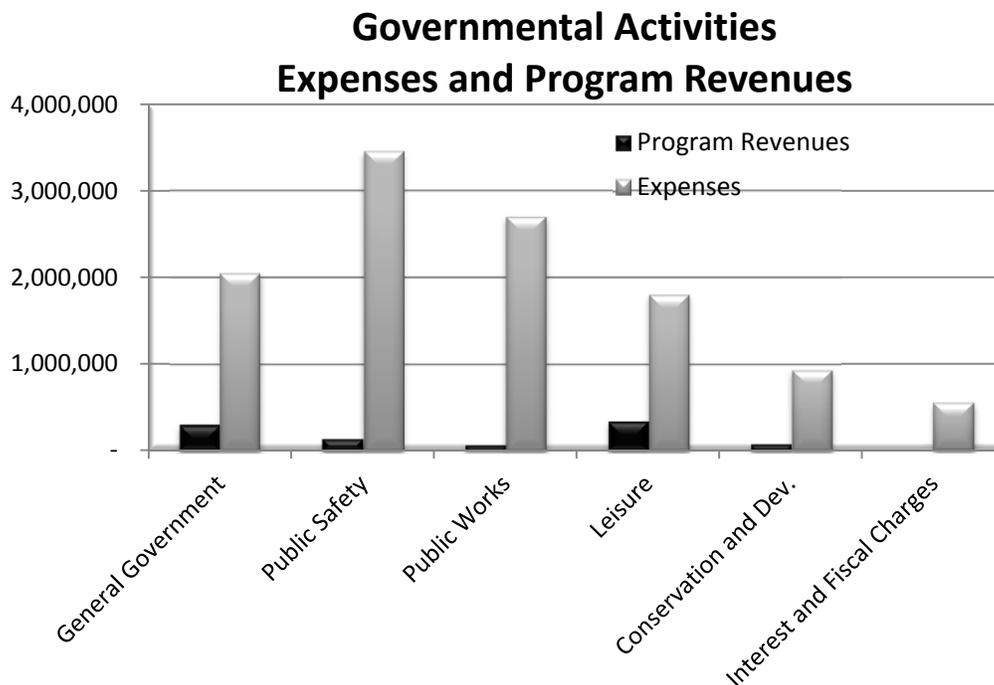
At the end of 2015, the City of River Falls' Governmental Activities had total assets and deferred outflows of resources of \$81.5 million and liabilities and deferred inflows of resources of \$28.3 million; resulting in a net position of \$53.1 million. The change in net position is an increase of \$2.1 million from the beginning of year net position (as restated). The net position is allocated with \$45.5 million representing capital assets net of related debt, \$5.3 million held for restricted purposes, and \$2.4 million available to meet the government's ongoing obligations to citizens and creditors. (Pages 1 – 2)

Factors that contribute to the net position increase include financing of \$575,000 obtained for a replacement fire engine and refunding \$525,000 of outstanding notes for interest savings.

Revenues for the City's governmental activities, excluding transfers from other funds, totaled \$12.3 million, with property taxes encompassing 49.7% of the total. Intergovernmental revenues include \$2.0 million in state shared revenue and grants which account for 16.5% of annual revenues. Operating grants and capital grants contributions comprise 19.4% and charges for services account are 7.8% of total revenues; which include solid waste, environmental fees, permits, licenses and miscellaneous fees.

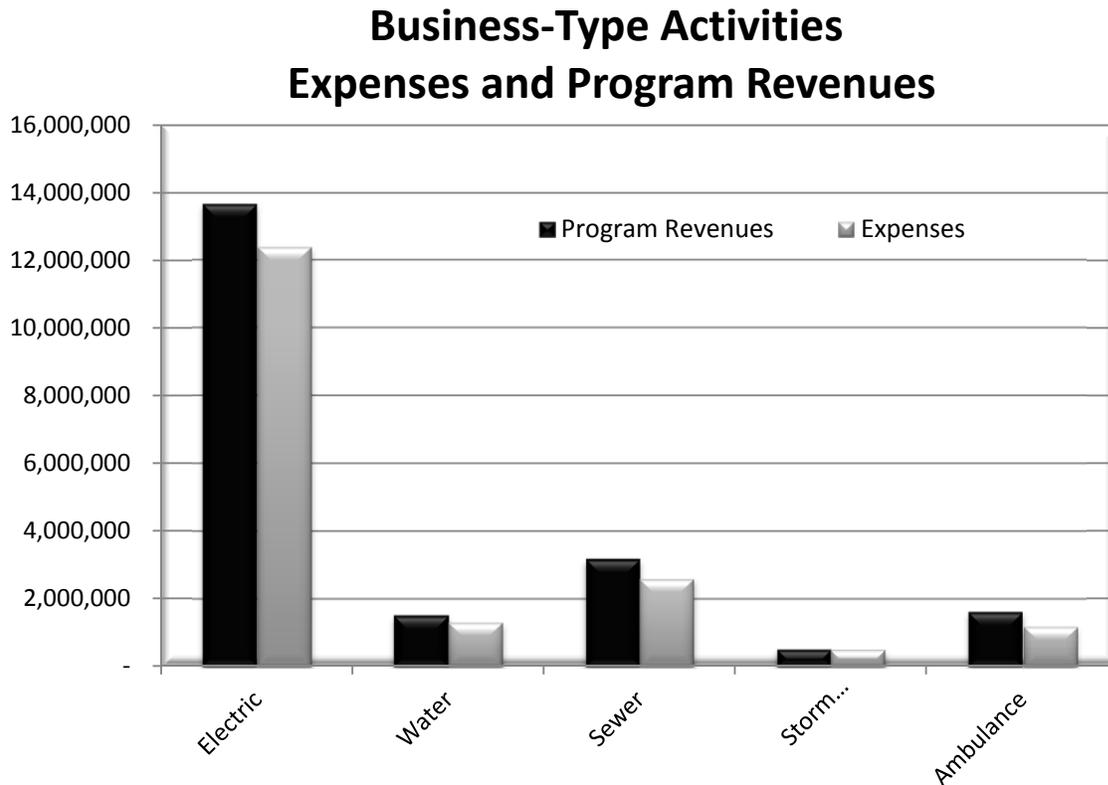
Governmental activities expensed \$11.5 million with Public Safety, Public Works, Leisure Services, and Conservation and Development representing 77.3% of total expenditures. Leisure Services, and Conservation and Development recorded reduced expenses of \$328,448 and \$203,988 respectively.

When all sources of revenue are combined, including property taxes, investment earnings, inter-fund transfers, grants and contributions not restricted to specific programs, total revenues exceeded expenditures by \$2.1 million; or a 4.6% increase in net position. The accompanying graph exhibits the governmental activities expenses in comparison to program revenues exclusive of all grants and contributions.



## Business-Type Activities:

Business-type activities increased the City's net position by \$2.1 million. Due to the enterprise nature of these activities, 96.2% of annual revenues are generated by charges for services. The Electric fund accounted for 65.4% of the program revenues followed by Sewer with 15.5% of the charges for services. In 2015, business-type activities recognized \$506,647 in capital grants and contributions.



Key elements of the business-type activities in 2015 are as follows:

### Electric

- The Electric fund's net position increased \$1.1 million from the prior year to \$20.0 million. Overall, total assets and deferred outflows of resources increased \$1.2 million; while total liabilities decreased \$116,070 in reduced power costs.
  - Receivables declined with receipt of the final payment of the contracted power capacity buyout.
  - Capital property and equipment increased \$898,091 with the addition of a line crew bucket and meter reading truck.
  - Net pension asset and related amounts of \$232,895 increased total assets and deferred resources.
- The Electric Utility's 2015 operating revenues were \$13.7 million, which is similar to 2014 results.

## **Electric (cont.)**

- Operating expenditures decreased \$276,000 led by a \$167,000 reduction in purchased power from the prior year.
- Total electric generation was comprised of 1,700,000 kWh hydraulic and 119,600,000 kWh purchased, for a total of 121,300,000 kWh for 2015 compared to 122,025,000 kWh in 2014. The utilities distribution energy losses were 1.7% in 2015 which decreased from the 2014 rate of 2.27%.

## **Water**

- The Water fund's net position increased \$4,098 from the prior year to \$13.7 million. Total liabilities decreased \$275,325 as a result of reduced year end payables and annual reduction of long-term debt.
- Operating revenues were \$1.5 million; a slight increase of \$12,732 from 2014. Operating expenditures decreased \$69,885, with higher than usual expenses in 2014 due to scheduled water tower painting.
- The net impact of increased revenues and reduced expenses resulted in an increase of operating income by \$82,617 as compared to 2014.
- Total gallons sold were 364.3 million; an increase of 865,600 gallons from the prior year. Industrial and irrigation classes increased water consumption 22% and 7.5% year over year respectively.

## **Sewer**

- The Sewer fund's net position increased \$613,819 from the prior year to \$17.4 million. Total liabilities decreased \$799,899, with a reduction in long-term debt as the major factor.
- Operating revenues are \$3.2 million, an increase of \$17,010 over the prior year. Residential and industrial customers increased their consumption by 1.6% and 20.6% respectively.
- Operating expenses increased \$86,694 as compared to the prior year, with an increased emphasis on sewer rehabilitation including televising and lining expenses. The maintenance increase was offset by savings recognized in operation labor, fuel for equipment, and regional bio-solid treatment charges.

## **Storm Water**

- The Storm Water fund's year end net position is \$5.9 million; a decrease of \$30,899 as a result of increases in operating expenses of \$109,613 as compared to 2014.
- Significant projects completed in 2015 were:
  - North Main Street storm pond rehabilitation
  - Bartosh Canyon drainage ditch replacement
  - Devin Lane storm water outfall repaired and restored

## **Ambulance**

- The Ambulance fund's net position increased by \$480,417 in 2015 to an ending balance of \$2.2 million. The majority of this increase is due to a change in the City's billing and collection vendors, and increased collections of past due invoices for prior years.
- Total Ambulance operating revenues increased \$835,771 as compared to 2014.

## **Ambulance (cont.)**

- The Ambulance recognized \$40,000 in capital contributions upon acquiring the value of the Prescott Ambulance.
- Capital assets increased with the following acquisitions:
  - Chevrolet Ultramedic road rescue unit.
  - Chassis purchased and remount of the ambulance.
  - Chevrolet Truck that replaces the 2006 Durango responding unit.

## **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.

As the City concluded the year, its governmental funds reported a combined fund balance of \$8.3 million; an increase of \$262,880 from the prior year. The General fund ended the year with \$4.5 million in unassigned fund balance which is available to meet the City's current and future needs. An additional \$2.6 million is considered non-spendable in the General Fund. The non-spendable funds entail the following: 1) prepaid expenses of \$91,658 and 2) \$2.5 million in funds advanced to other funds that are long term in nature and do not represent spendable resources.

## **GENERAL FUND BUDGETARY HIGHLIGHTS**

The 2015 budget was adopted at the function level of expenditures. General fund revenues exceeded expenditures by \$421,167.

## **CAPITAL ASSETS AND DEBT ADMINISTRATION**

### **Capital Assets**

The City's investment in capital assets for its governmental and business-type activities at December 31, 2015, amounted to \$111.4 million (net of accumulated depreciation), an increase of 1.9% over 2014. The investment in capital assets includes land and easements, infrastructure, structures and improvements, equipment, and construction in progress.

- Major additions (greater than \$100,000) to capital assets during 2015 include:
  - Buildings:
    - Hoffman Park Storm Shelter
  - Machinery and Equipment:
    - Replacement Fire Engine and SCBA (self-contained breathing apparatus)
    - Public Works plow truck, mower, and safety equipment
    - Hoffman Park playground

In accordance with the implementation of GASB No. 34, the City has recorded historical costs and depreciation expense associated with all of 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 43 – 48 in the notes to the financial statements.

## **Long-Term Debt**

At December 31, 2015, the City had \$20.7 million of general obligation bonds and promissory notes outstanding; with \$1.9 million payable within one year. Of the total general obligation debt, \$3.8 million, or 18.4%, will be paid from business-type activity revenues.

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, 2015, the City's total amount applicable to debt margin (outstanding notes less debt service fund balance) was \$20.7 million or 47% of the legal limit of \$43,965,230. The net debt per capita equaled \$1,366 at year-end based with a year-end population of 15,180.

Further details of the City's long-term debt activity can be found in the notes to the financial statements within Note III section F starting on page 52.

## **ECONOMIC FACTORS AND THE 2015 BUDGET AND RATES**

The 2015 – 2016 budget was approved by the City Council in November 2014. The proposed property tax levy of \$10.6 million combined for both years is less than the fiscal plan approved in 2013. The biennial budget for the General Fund does not incorporate the use of fund balance for operating expenditures. It is anticipated that increased revenues and additional cost savings in operations will result in a secure year-end financial condition.

The City completed a reassessment of all taxable properties in 2015 to realign the individual and property class values to current market rates. The reassessment reduced the City's total assessed value by \$67.4 million, or 7.1% from the prior year, which aligned assessed values to 99.5% of equalized (market) values. On average, residential property values decreased 8.82% and commercial properties were reduced 1.37%. The City's total equalized value increased by \$27 million or 3% in 2015, to a total of \$879,304,600.

## **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/Assistant City Administrator, 222 Lewis Street, River Falls, WI 54022.

# CITY OF RIVER FALLS

## STATEMENT OF NET POSITION As of December 31, 2015

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Business Improvement District
<b>ASSETS</b>				
Cash and investments	\$ 10,446,990	\$ 11,459,372	\$ 21,906,362	\$ 20,272
Receivables (net)				
Taxes	6,528,613	-	6,528,613	-
Accounts	364,821	2,161,779	2,526,600	-
Special assessments	94,497	-	94,497	42,000
Accrued interest	9,712	-	9,712	-
Loans	865,138	38,841	903,979	-
Prepaid items and inventories	126,394	627,938	754,332	-
Due from other governmental units	672,435	-	672,435	-
Other receivables	-	54,311	54,311	-
Internal balances	324,220	(324,220)	-	-
Other assets	-	170,804	170,804	-
Restricted assets				
Cash and investments	-	2,050,286	2,050,286	-
Net pension asset	875,203	310,771	1,185,974	-
Capital Assets				
Land	16,028,095	349,167	16,377,262	-
Construction in progress	8,200,705	523,383	8,724,088	-
Other capital assets, net of depreciation	<u>36,015,262</u>	<u>50,332,454</u>	<u>86,347,716</u>	-
Total Assets	<u>80,552,085</u>	<u>67,754,886</u>	<u>148,306,971</u>	<u>62,272</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charge on refunding	-	174,521	174,521	-
Unamortized charge on disposal of plant	-	277,008	277,008	-
Pension related amounts	<u>901,933</u>	<u>287,815</u>	<u>1,189,748</u>	-
Total Deferred Outflows of Resources	<u>901,933</u>	<u>739,344</u>	<u>1,641,277</u>	-
<b>LIABILITIES</b>				
Accounts payable	375,135	1,134,910	1,510,045	-
Accrued liabilities	196,523	155,373	351,896	-
Accrued interest	155,845	33,583	189,428	-
Deposits	4,965	98,098	103,063	-
Unearned revenues	2,258,597	-	2,258,597	-
Noncurrent Liabilities				
Due within one year	1,510,708	1,102,283	2,612,991	-
Due in more than one year	<u>17,287,093</u>	<u>7,017,909</u>	<u>24,305,002</u>	-
Total Liabilities	<u>21,788,866</u>	<u>9,542,156</u>	<u>31,331,022</u>	-
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unearned revenues	<u>6,520,925</u>	-	<u>6,520,925</u>	-
Total Deferred Inflows of Resources	<u>6,520,925</u>	-	<u>6,520,925</u>	-

See accompanying notes to financial statements.

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Totals	Business Improvement District
<b>NET POSITION</b>				
Net investment in capital assets	\$ 45,498,303	\$ 44,124,132	\$ 87,829,930	\$ -
Restricted for				
Debt service	-	644,712	644,712	-
Capital asset repair and replacement	-	351,435	351,435	-
Impact fees	235,874	594,184	830,058	-
Library trust	152,091	-	152,091	-
Housing	642,534	-	642,534	-
Parking improvements	126,691	-	126,691	-
Refuse/solid waste	302,702	-	302,702	-
Environmental fee	2,849,698	-	2,849,698	-
Library	49,268	-	49,268	-
Taxi	9,216	-	9,216	-
Tax increment districts	9,160	-	9,160	-
Pension	875,203	310,771	1,185,974	-
Unrestricted	<u>2,393,487</u>	<u>12,926,840</u>	<u>17,112,832</u>	<u>62,272</u>
<b>TOTAL NET POSITION</b>	<u>\$ 53,144,227</u>	<u>\$ 58,952,074</u>	<u>\$ 112,096,301</u>	<u>\$ 62,272</u>

See accompanying notes to financial statements.

# CITY OF RIVER FALLS

## STATEMENT OF ACTIVITIES For the Year Ended December 31, 2015

Functions/Programs	Program Revenues			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities				
General government	\$ 2,055,542	\$ 307,308	\$ -	\$ -
Public safety	3,460,018	146,449	579,778	-
Public works	2,703,408	71,604	838,446	585,805
Health services	14,289	-	-	-
Leisure	1,807,310	348,699	385,328	-
Conservation and development	937,852	88,129	-	-
Interest and fiscal charges	551,832	-	-	-
Total Governmental Activities	11,530,251	962,189	1,803,552	585,805
Business-type Activities				
Electric Utility	12,393,923	13,663,081	-	102,287
Water Utility	1,318,123	1,526,969	-	189,170
Sewer Utility	2,598,382	3,187,039	-	174,440
Stormwater	519,219	523,070	-	-
Ambulance	1,196,273	1,629,157	7,149	40,750
Total Business-type Activities	18,025,920	20,529,316	7,149	506,647
Total Primary Government	\$ 29,556,171	\$ 21,491,505	\$ 1,810,701	\$ 1,092,452
Component Unit				
Business Improvement District	\$ 42,277	\$ 42,000	\$ -	\$ -

### General Revenues

#### Taxes

Property taxes, levied for general purposes

Property taxes, levied for debt service

Property taxes, levied for capital assets

Property taxes, levied for TIF districts

Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Amortization of gain on early retirement

Miscellaneous

Total General Revenues

Transfers - internal

### Change in net position

NET POSITION - Beginning of Year (as restated)

### NET POSITION - END OF YEAR

See accompanying notes to financial statements.

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-type Activities	Totals	Business Improvement District
\$ (1,748,234)	\$ -	\$ (1,748,234)	\$ -
(2,733,791)	-	(2,733,791)	-
(1,207,553)	-	(1,207,553)	-
(14,289)	-	(14,289)	-
(1,073,283)	-	(1,073,283)	-
(849,723)	-	(849,723)	-
(551,832)	-	(551,832)	-
<u>(8,178,705)</u>	<u>-</u>	<u>(8,178,705)</u>	<u>-</u>
-	1,371,445	1,371,445	-
-	398,016	398,016	-
-	763,097	763,097	-
-	3,851	3,851	-
-	480,783	480,783	-
<u>-</u>	<u>3,017,192</u>	<u>3,017,192</u>	<u>-</u>
<u>(8,178,705)</u>	<u>3,017,192</u>	<u>(5,161,513)</u>	<u>-</u>
-	-	-	(277)
4,154,882	-	4,154,882	-
537,533	-	537,533	-
465,549	-	465,549	-
950,173	-	950,173	-
196,109	-	196,109	-
2,028,971	-	2,028,971	-
77,301	29,880	107,181	-
-	227,224	227,224	-
<u>529,123</u>	<u>43,428</u>	<u>572,551</u>	<u>-</u>
<u>8,939,641</u>	<u>300,532</u>	<u>9,240,173</u>	<u>-</u>
<u>1,327,493</u>	<u>(1,327,493)</u>	<u>-</u>	<u>-</u>
2,088,429	1,990,231	4,078,660	(277)
<u>51,055,798</u>	<u>56,961,843</u>	<u>108,017,641</u>	<u>62,549</u>
<u>\$ 53,144,227</u>	<u>\$ 58,952,074</u>	<u>\$ 112,096,301</u>	<u>\$ 62,272</u>

See accompanying notes to financial statements.

## CITY OF RIVER FALLS

### BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2015

	<u>General Fund</u>	<u>Debt Service Bonds</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>ASSETS</b>					
Cash and investments	\$ 5,001,171	\$ 89,927	\$ 2,485,855	\$ 2,802,286	\$ 10,379,239
Receivables					
Taxes	3,415,775	169,058	112,343	2,831,437	6,528,613
Accounts	146,425	-	-	123,384	269,809
Customer	-	-	-	95,012	95,012
Special assessments	54,808	-	39,689	-	94,497
Interest	6,988	-	-	2,724	9,712
Notes	-	-	269,800	595,338	865,138
Inventories and prepayments	91,658	-	-	13,777	105,435
Due from other funds	351,693	-	-	700,000	1,051,693
Due from other governmental units	32,996	-	583,162	56,277	672,435
Advances to other funds	<u>2,538,119</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>3,538,119</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 11,639,633</u></b>	<b><u>\$ 258,985</u></b>	<b><u>\$ 3,490,849</u></b>	<b><u>\$ 8,220,235</u></b>	<b><u>\$ 23,609,702</u></b>

See accompanying notes to financial statements.

	<u>General Fund</u>	<u>Debt Service Bonds</u>	<u>General Capital Projects</u>	<u>Nonmajor Governmental Funds</u>	<u>Totals</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>					
Liabilities					
Accounts payable	\$ 136,219	\$ -	\$ 83,194	\$ 137,067	\$ 356,480
Accrued liabilities	171,535	-	-	20,012	191,547
Deposits	275	-	-	4,690	4,965
Unearned revenues	-	-	2,258,597	-	2,258,597
Due to other funds	700,000	85,351	-	22,251	807,602
Due to other governments	-	-	-	42	42
Advances from other funds	-	-	-	3,538,119	3,538,119
Total Liabilities	<u>1,008,029</u>	<u>85,351</u>	<u>2,341,791</u>	<u>3,722,181</u>	<u>7,157,352</u>
Deferred Inflows of Resources					
Unearned revenues	3,400,000	169,058	120,430	2,831,437	6,520,925
Unavailable revenues	<u>128,164</u>	<u>-</u>	<u>884,564</u>	<u>653,865</u>	<u>1,666,593</u>
Total Deferred Inflows of Resources	<u>3,528,164</u>	<u>169,058</u>	<u>1,004,994</u>	<u>3,485,302</u>	<u>8,187,518</u>
Fund Balances					
Nonspendable	2,629,777	-	-	13,777	2,643,554
Restricted	-	4,576	-	3,994,195	3,998,771
Committed	-	-	144,064	259,747	403,811
Unassigned (deficit)	<u>4,473,663</u>	<u>-</u>	<u>-</u>	<u>(3,254,967)</u>	<u>1,218,696</u>
Total Fund Balances	<u>7,103,440</u>	<u>4,576</u>	<u>144,064</u>	<u>1,012,752</u>	<u>8,264,832</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<u>\$ 11,639,633</u>	<u>\$ 258,985</u>	<u>\$ 3,490,849</u>	<u>\$ 8,220,235</u>	<u>\$ 23,609,702</u>

See accompanying notes to financial statements.

## CITY OF RIVER FALLS

### RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2015

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Total Fund Balances - Governmental Funds	\$ 8,264,832
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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.

Land	16,028,095
Construction in progress	8,200,705
Other capital assets	52,165,879
Less: Accumulated depreciation	(16,150,617)
Less: Internal service fund included below	(373,315)

Some receivables that are not currently available are reported as unavailable revenues in the fund financial statements but are recognized as revenue when earned in the government-wide statements.	1,666,593
--	-----------

The net pension asset does not relate to current financial resources and is not reported in the governmental funds.	875,203
Less: Internal service fund included below	(11,301)

Deferred outflows of resources related to pensions do not relate to current financial resources and are not reported in the governmental funds.	901,933
Less: Internal service fund included below	(16,955)

Governmental funds report the effect of losses on refunding, discounts, and similar items when debt is first issued, whereas these items are deferred and amortized in the statement of activities.	(295,807)
---	-----------

Internal service funds are reported in the statement of net position as governmental activities.	499,653
--	---------

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	(16,929,562)
Compensated absences	(856,470)
Accrued interest	(155,845)
Landfill post-closure care cost	(154,200)
Other post-employment benefits	(514,594)

<b>NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 53,144,227</u></b>
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## CITY OF RIVER FALLS

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended December 31, 2015

	General Fund	Debt Service Bonds	General Capital Projects	Nonmajor Governmental Funds	Totals
<b>REVENUES</b>					
Taxes	\$3,123,052	\$ 209,588	\$ 269,644	\$ 2,701,962	\$ 6,304,246
Special assessments	16,226	-	4,278	2,500	23,004
Intergovernmental	3,212,804	-	25,085	556,118	3,794,007
Licenses and permits	171,080	-	-	-	171,080
Fines, forfeitures and penalties	192,822	-	-	-	192,822
Public charges for services	205,834	-	-	378,942	584,776
Intergovernmental charges for services	31,360	-	-	-	31,360
Investment income	231,315	-	504	21,020	252,839
Miscellaneous	<u>256,462</u>	<u>9,584</u>	<u>-</u>	<u>316,485</u>	<u>582,531</u>
Total Revenues	<u>7,440,955</u>	<u>219,172</u>	<u>299,511</u>	<u>3,977,027</u>	<u>11,936,665</u>
<b>EXPENDITURES</b>					
Current					
General government	1,591,938	-	-	-	1,591,938
Public safety	3,303,188	-	-	4,314	3,307,502
Public works	1,936,547	-	-	219,733	2,156,280
Health services	6,508	-	-	-	6,508
Leisure activities	669,216	-	-	1,361,951	2,031,167
Conservation and development	577,119	-	269,800	371,608	1,218,527
Capital Outlay	-	-	850,955	1,817,362	2,668,317
Debt Service					
Principal retirement	368,889	1,800,000	-	1,072,890	3,241,779
Interest and fiscal charges	<u>16,246</u>	<u>96,493</u>	<u>-</u>	<u>675,414</u>	<u>788,153</u>
Total Expenditures	<u>8,469,651</u>	<u>1,896,493</u>	<u>1,120,755</u>	<u>5,523,272</u>	<u>17,010,171</u>
Excess (deficiency) of revenues over expenditures	<u>(1,028,696)</u>	<u>(1,677,321)</u>	<u>(821,244)</u>	<u>(1,546,245)</u>	<u>(5,073,506)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Long-term debt issued	166,130	1,600,000	1,869,800	933,870	4,569,800
Transfers from other funds	1,703,489	77,543	83,559	104,562	1,969,153
Transfers to other funds	<u>(419,756)</u>	<u>(5,588)</u>	<u>(117,047)</u>	<u>(660,176)</u>	<u>(1,202,567)</u>
Total Other Financing Sources (Uses)	<u>1,449,863</u>	<u>1,671,955</u>	<u>1,836,312</u>	<u>378,256</u>	<u>5,336,386</u>
<b>Net Change in Fund Balances</b>	421,167	(5,366)	1,015,068	(1,167,989)	262,880
FUND BALANCES (DEFICIT) -					
Beginning of Year	<u>6,682,273</u>	<u>9,942</u>	<u>(871,004)</u>	<u>2,180,741</u>	<u>8,001,952</u>
<b>FUND BALANCES - END OF YEAR</b>	<u>\$7,103,440</u>	<u>\$ 4,576</u>	<u>\$ 144,064</u>	<u>\$ 1,012,752</u>	<u>\$ 8,264,832</u>

See accompanying 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 For the Year Ended December 31, 2015

Net change in fund balances - total governmental funds	\$	262,880
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>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.</p>		
Capital outlay is reported as an expenditure in the fund financial statements but is capitalized in the government-wide financial statements		2,668,317
Some items reported as operating expenditures in the fund financial statements but are capitalized in the government-wide statements		701,558
Depreciation is reported in the government-wide financial statements		(1,144,122)
Net book value of assets retired		(28,401)
<p>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.</p>		
		703,709
<p>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.</p>		
Debt issued		(4,569,800)
Principal repaid		3,241,779
<p>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.</p>		
		51,911
<p>Governmental funds report debt premiums and discounts as other financing sources (uses) or expenditures. 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 and are reported as interest expense.</p>		
		9,448
<p>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.</p>		
Compensated absences		4,230
Other postemployment benefits		(22,552)
Landfill liability		12,514
Net pension asset (and pension related deferred outflows of resources)		(1,511)
<p>Internal service funds are used by management to charge certain costs to other funds. The change in net position of the internal service fund that is reported with governmental activities.</p>		
		198,469
<b>CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES</b>	<b>\$</b>	<b><u>2,088,429</u></b>

See accompanying notes to financial statements.

# CITY OF RIVER FALLS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 7,167,179	\$ 1,155,982	\$ 2,030,840
Receivables (net)			
Accounts	1,252,262	131,562	323,305
Other accounts receivable	42,615	-	11,696
Current portion of loans receivable	9,864	-	-
Inventories	518,497	13,096	-
Prepaid items	30,121	15,701	27,139
Restricted Assets			
Redemption account	-	87,931	576,558
Total Current Assets	9,020,538	1,404,272	2,969,538
Noncurrent Assets			
Restricted Assets			
Reserve account	-	164,243	275,935
Impact fee account	-	183,651	410,533
Replacement account	-	-	351,435
Net pension asset	124,033	50,138	63,411
Capital Assets			
Land	107,127	23,120	117,622
Construction in progress	82,484	94,354	346,545
Property and equipment	24,191,973	18,867,649	27,692,627
Less: Accumulated depreciation	(12,684,248)	(5,261,389)	(9,067,130)
Other Assets			
Loan receivable	28,977	-	-
Preliminary survey and investigation	-	153,604	-
Non-utility property	-	-	17,200
Total Noncurrent Assets	11,850,346	14,275,370	20,208,178
Total Assets	20,870,884	15,679,642	23,177,716
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	-	174,521
Unamortized charge on disposal of plant	277,008	-	-
Pension related amounts	108,862	44,796	60,836
Total Deferred Outflows of Resources	385,870	44,796	235,357

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise Funds	Totals	
\$ 1,105,371	\$ 11,459,372	\$ 67,751
454,650	2,161,779	-
-	54,311	-
-	9,864	-
-	531,593	-
23,384	96,345	20,959
-	664,489	-
<u>1,583,405</u>	<u>14,977,753</u>	<u>88,710</u>
-	440,178	-
-	594,184	-
-	351,435	-
73,189	310,771	11,301
101,298	349,167	-
-	523,383	-
9,353,611	80,105,860	507,470
(2,760,639)	(29,773,406)	(134,155)
-	28,977	-
-	153,604	-
-	17,200	-
<u>6,767,459</u>	<u>53,101,353</u>	<u>384,616</u>
<u>8,350,864</u>	<u>68,079,106</u>	<u>473,326</u>
-	174,521	-
-	277,008	-
<u>73,321</u>	<u>287,815</u>	<u>16,955</u>
<u>73,321</u>	<u>739,344</u>	<u>16,955</u>

See accompanying notes to financial statements.

# CITY OF RIVER FALLS

## STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2015

	Business-type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	880,211	18,692	228,352
Customer deposits	67,896	202	-
Accrued liabilities	99,236	10,406	14,395
Accrued interest	-	-	13,567
Due to other funds	-	-	-
Current portion of general obligation debt	-	-	615,000
Current portion of shared services notes payable	9,864	-	-
Current portion of compensated absences	47,399	22,138	26,785
Current portion of lease payable	-	-	-
Liabilities Payable from Restricted Assets			
Current portion of revenue bonds	-	90,000	168,125
Accrued interest	-	11,058	8,719
Total Current Liabilities	1,104,606	152,496	1,074,943
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt	-	-	3,015,000
Revenue bonds	-	1,775,000	1,736,849
Unamortized debt premium	-	2,734	109,825
Shared services notes payable	27,222	-	-
Compensated absences	52,944	26,671	13,817
Other post-employment benefits	74,977	46,457	30,167
Lease payable	-	-	-
Total Noncurrent Liabilities	155,143	1,850,862	4,905,658
Total Liabilities	1,259,749	2,003,358	5,980,601
<b>NET POSITION</b>			
Net investment in capital assets	11,697,336	12,020,243	13,895,321
Restricted for			
Debt service	-	76,873	567,839
Replacement	-	-	351,435
Impact fees	-	183,651	410,533
Pension	124,033	50,138	63,411
Unrestricted	8,175,636	1,390,175	2,143,933
<b>TOTAL NET POSITION</b>	<b>\$ 19,997,005</b>	<b>\$ 13,721,080</b>	<b>\$ 17,432,472</b>

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

### NET POSITION BUSINESS-TYPE ACTIVITIES

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise Funds	Totals	
7,655	1,134,910	18,655
30,000	98,098	-
31,336	155,373	4,934
239	13,806	-
-	-	244,091
108,278	723,278	-
-	9,864	-
14,694	111,016	-
-	-	12,021
-	258,125	-
-	19,777	-
<u>192,202</u>	<u>2,524,247</u>	<u>279,701</u>
74,760	3,089,760	-
-	3,511,849	-
-	112,559	-
-	27,222	-
16,069	109,501	-
15,417	167,018	-
-	-	35,147
<u>106,246</u>	<u>7,017,909</u>	<u>35,147</u>
<u>298,448</u>	<u>9,542,156</u>	<u>314,848</u>
6,511,232	44,124,132	326,147
-	644,712	-
-	351,435	-
-	594,184	-
73,189	310,771	11,301
<u>1,541,316</u>	<u>13,251,060</u>	<u>(162,015)</u>
<u>\$ 8,125,737</u>	59,276,294	<u>\$ 175,433</u>
	<u>(324,220)</u>	
	<u>\$ 58,952,074</u>	

See accompanying notes to financial statements.

## CITY OF RIVER FALLS

### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS

For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
<b>OPERATING REVENUES</b>			
Public charges for services	\$ 13,663,081	\$ 1,526,969	\$ 3,187,039
Total Operating Revenues	<u>13,663,081</u>	<u>1,526,969</u>	<u>3,187,039</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	11,521,466	839,462	1,862,586
Depreciation	785,398	397,234	563,321
Total Operating Expenses	<u>12,306,864</u>	<u>1,236,696</u>	<u>2,425,907</u>
Operating Income (Loss)	<u>1,356,217</u>	<u>290,273</u>	<u>761,132</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	-	-	-
Investment income	18,025	2,489	8,922
Interest and fiscal charges	-	(67,854)	(142,465)
Amortization of gain on early retirement	227,224	-	-
Amortization of debt premium and amortization of loss on refunding	-	178	(6,263)
Miscellaneous	41,520	-	-
Total Nonoperating Revenues (Expenses)	<u>286,769</u>	<u>(65,187)</u>	<u>(139,806)</u>
Income (Loss) Before Contributions and Transfers	<u>1,642,986</u>	<u>225,086</u>	<u>621,326</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	102,287	189,170	174,440
Transfers from other funds	-	-	-
Transfers to other funds	(658,806)	(410,158)	(181,947)
Total Contributions and Transfers	<u>(556,519)</u>	<u>(220,988)</u>	<u>(7,507)</u>
Change in Net Position	<u>1,086,467</u>	<u>4,098</u>	<u>613,819</u>
NET POSITION - Beginning of Year (as restated)	<u>18,910,538</u>	<u>13,716,982</u>	<u>16,818,653</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 19,997,005</u>	<u>\$ 13,721,080</u>	<u>\$ 17,432,472</u>

Adjustment to reflect the consolidation of internal service funds activities related to enterprise funds

#### NET POSITION OF BUSINESS-TYPE ACTIVITIES

See accompanying notes to financial statements.

<u>Business-type Activities - Enterprise Funds</u>		Governmental Activities - Internal Service Funds
<u>Nonmajor Enterprise Funds</u>	<u>Totals</u>	
\$ 2,152,227	\$ 20,529,316	\$ 42,218
<u>2,152,227</u>	<u>20,529,316</u>	<u>42,218</u>
1,407,554	15,631,068	507,646
263,075	2,009,028	60,935
<u>1,670,629</u>	<u>17,640,096</u>	<u>568,581</u>
<u>481,598</u>	<u>2,889,220</u>	<u>(526,363)</u>
7,149	7,149	-
444	29,880	254
(5,749)	(216,068)	-
-	227,224	-
-	(6,085)	-
1,908	43,428	-
<u>3,752</u>	<u>85,528</u>	<u>254</u>
<u>485,350</u>	<u>2,974,748</u>	<u>(526,109)</u>
40,750	506,647	-
80,200	80,200	594,913
(156,782)	(1,407,693)	(34,006)
<u>(35,832)</u>	<u>(820,846)</u>	<u>560,907</u>
449,518	2,153,902	34,798
<u>7,676,219</u>	<u>57,122,392</u>	<u>140,635</u>
<u>\$ 8,125,737</u>	59,276,294	<u>\$ 175,433</u>
	<u>(324,220)</u>	
	<u>\$ 58,952,074</u>	

See accompanying notes to financial statements.

## CITY OF RIVER FALLS

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 13,612,412	\$ 1,568,904	\$ 3,152,334
Received from WPPI	529,417	-	-
Received from municipality for services	229,328	-	-
Customer deposits returned	-	-	-
Paid to suppliers for goods and services	(11,065,955)	(636,740)	(1,306,818)
Paid to employees for services	(684,524)	(290,238)	(448,753)
Net Cash Flows From Operating Activities	2,620,678	641,926	1,396,763
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investments sold and matured	-	-	77,327
Purchase of investments	-	-	(77,443)
Investment income	18,025	2,489	8,922
Net Cash Flows From Investing Activities	18,025	2,489	8,806
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Paid to municipality for tax equivalent	(395,859)	(308,865)	-
Miscellaneous revenue	-	-	-
Debt retired	(18,336)	-	-
Transfers to/from other funds	(262,947)	(101,293)	(181,947)
Advance to/from other funds	-	-	-
Net Cash Flows From Noncapital Financing Activities	(677,142)	(410,158)	(181,947)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt retired	-	(180,608)	(763,650)
Interest paid	-	(70,872)	(145,684)
Acquisition and construction of capital assets	(993,774)	(159,500)	(267,459)
Capital contributions received	102,287	30,311	33,437
Impact fees received	-	119,900	116,915
Net Cash Flows From Capital and Related Financing Activities	(891,487)	(260,769)	(1,026,441)
<b>Net Change in Cash and Cash Equivalents</b>	1,070,074	(26,512)	197,181
CASH AND CASH EQUIVALENTS - Beginning of Year	5,714,454	1,618,319	3,370,677
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 6,784,528	\$ 1,591,807	\$ 3,567,858

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise Funds	Totals	
\$ 1,749,458	\$ 20,083,108	\$ 42,218
-	529,417	-
-	229,328	-
(15,000)	(15,000)	-
(696,308)	(13,705,821)	(415,474)
<u>(710,662)</u>	<u>(2,134,177)</u>	<u>(136,289)</u>
<u>327,488</u>	<u>4,986,855</u>	<u>(509,545)</u>
-	77,327	-
-	(77,443)	-
444	29,880	254
<u>444</u>	<u>29,764</u>	<u>254</u>
-	(704,724)	-
9,057	9,057	-
-	(18,336)	-
(76,582)	(622,769)	560,907
100,000	100,000	-
<u>32,475</u>	<u>(1,236,772)</u>	<u>560,907</u>
(105,950)	(1,050,208)	(12,346)
(5,894)	(222,450)	-
(312,757)	(1,733,490)	(82,681)
-	166,035	-
-	236,815	-
<u>(424,601)</u>	<u>(2,603,298)</u>	<u>(95,027)</u>
(64,194)	1,176,549	(43,411)
<u>1,169,565</u>	<u>11,873,015</u>	<u>111,162</u>
<u>\$ 1,105,371</u>	<u>\$ 13,049,564</u>	<u>\$ 67,751</u>

See accompanying notes to financial statements.

## CITY OF RIVER FALLS

### STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2015

	Business-type Activities - Enterprise Funds		
	Electric Utility	Water Utility	Sewer Utility
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ 1,356,217	\$ 290,273	\$ 761,132
Nonoperating revenue	41,520	-	-
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities			
Depreciation	785,398	397,234	563,321
Depreciation charged to other funds	-	44,608	(44,608)
Unfunded postemployment benefits obligation	3,286	13,720	(10,365)
Changes in assets and liabilities			
Accounts receivable	130,830	(2,094)	2,391
Other accounts receivable	18,494	97	7,512
Receivable from WPPI	529,417	-	-
Inventories	(168,721)	2,192	617
Prepaid items	6,843	(5,516)	(11,758)
Accounts payable	(113,532)	(97,921)	132,210
Due to other funds	-	-	-
Other current liabilities	34,070	(1,239)	232
Customer deposits	(12,185)	(676)	-
Compensated absences	(9,374)	(5,405)	(8,153)
Pension related deferrals and asset	18,415	6,653	4,232
	<u>\$ 2,620,678</u>	<u>\$ 641,926</u>	<u>\$ 1,396,763</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
	<u>\$ 2,620,678</u>	<u>\$ 641,926</u>	<u>\$ 1,396,763</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS</b>			
Cash and investments	\$ 7,167,179	\$ 1,155,982	\$ 2,030,840
Restricted cash and investments	-	435,825	1,614,461
Total Cash and Investments	7,167,179	1,591,807	3,645,301
Less: Noncash equivalents	(382,651)	-	(77,443)
	<u>\$ 6,784,528</u>	<u>\$ 1,591,807</u>	<u>\$ 3,567,858</u>
<b>CASH AND CASH EQUIVALENTS</b>			
	<u>\$ 6,784,528</u>	<u>\$ 1,591,807</u>	<u>\$ 3,567,858</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Clean water fund debt paid by West Central Wisconsin Biosolids Facility	\$ -	\$ -	\$ 122,970
Interest paid by West Central Biosolids Facility	\$ -	\$ -	\$ 1,861
Developer contributed capital assets	\$ -	\$ 38,959	\$ 24,088
Contribution of equipment from City of Prescott	\$ -	\$ -	\$ -

See accompanying notes to financial statements.

Business-type Activities - Enterprise Funds		Governmental Activities - Internal Service Funds
Nonmajor Enterprise Funds	Totals	
\$ 481,598	\$ 2,889,220	\$ (526,363)
-	41,520	-
263,075	2,009,028	60,935
-	-	-
-	6,641	-
(402,769)	(271,642)	-
-	26,103	-
-	529,417	-
-	(165,912)	-
230	(10,201)	(828)
(12,984)	(92,227)	(1,283)
-	-	(39,351)
8,561	41,624	2,703
(15,000)	(27,861)	-
2,996	(19,936)	-
<u>1,781</u>	<u>31,081</u>	<u>(5,358)</u>
<u>\$ 327,488</u>	<u>\$ 4,986,855</u>	<u>\$ (509,545)</u>
\$ 1,105,371	\$ 11,459,372	\$ 67,751
-	2,050,286	-
<u>1,105,371</u>	<u>13,509,658</u>	<u>67,751</u>
-	(460,094)	-
<u>\$ 1,105,371</u>	<u>\$ 13,049,564</u>	<u>\$ 67,751</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ -</u>		<u>\$ -</u>
<u>\$ 40,750</u>		<u>\$ -</u>

See accompanying notes to financial statements.

# CITY OF RIVER FALLS

## STATEMENT OF ASSETS AND LIABILITIES AGENCY FUND As of December 31, 2015

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	<u>Agency Fund</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,166,390
Receivables	
Taxes	<u>12,598,801</u>
<b>TOTAL ASSETS</b>	<u>\$ 13,765,191</u>
<b>LIABILITIES</b>	
Due to other taxing units	<u>\$ 13,765,191</u>
<b>TOTAL LIABILITIES</b>	<u>\$ 13,765,191</u>

See accompanying notes to financial statements.

# CITY OF RIVER FALLS

## INDEX TO NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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<b>NOTE</b>	<b>Page</b>
I Summary of Significant Accounting Policies	22
A. Reporting Entity	22
B. Government-Wide and Fund Financial Statements	23
C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation	26
D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Equity	28
1. Deposits and Investments	28
2. Receivables	30
3. Inventories and Prepaid Items	31
4. Restricted Assets	31
5. Capital Assets	32
6. Deferred Outflows of Resources	33
7. Compensated Absences	33
8. Long-Term Obligations/Conduit Debt	33
9. Deferred Inflows of Resources	34
10. Equity Classifications	34
11. Basis for Existing Rates	36
II Stewardship, Compliance, and Accountability	36
A. Excess Expenditures and Other Financing Uses Over Appropriations	36
B. Deficit Balances	37
C. Limitations on the City's Tax Levy	37
III Detailed Notes on All Funds	38
A. Deposits and Investments	38
B. Receivables	41
C. Restricted Assets	42
D. Capital Assets	43
E. Interfund Receivables/Payables, Advances and Transfers	49
F. Long-Term Obligations	52
G. Closure and Postclosure Care Cost	57
H. Net Position/Fund Balances	58
I. Restatement of Net Position	60
J. Component Unit	61
IV Other Information	62
A. Employees' Retirement System	62
B. Risk Management	68
C. Commitments and Contingencies	68
D. Joint Ventures	70
E. Other Postemployment Benefits	70
F. Subsequent Events	73
G. Related Organizations	74
H. Effect of New Accounting Standards on Current-Period Financial Statements	74
I. Nonexchange Financial Guarantee	75
J. Developer Agreements	75
K. Tax Incremental Financing Districts	75

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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The accounting policies of the City of River Falls, Wisconsin 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).

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

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### A. REPORTING ENTITY (cont.)

##### ***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 III.J. 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, 2015. The BID does not issue separate financial statements.

#### B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In June 2012, the GASB issued statement No. 68 - *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*. This statement establishes standards for measuring and recognizing assets, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to pensions. In November 2013, the GASB issued statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB Statement No. 68*. This statement addresses an issue regarding application of the transition provisions of Statement No. 68. These standards were implemented January 1, 2015.

##### ***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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

##### ***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.
- 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 - 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.
- Debt Service Bonds - used to account for and report financial resources that are restricted, committed, or assigned to expenditure for the payment of general long-term bond principal, interest, and related costs, other than TID or enterprise bonds.
- General Capital Projects Fund - accounts for and reports proceeds from long-term borrowing and other resources to be used for capital improvement projects.

The city reports the following major enterprise funds:

- 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

# CITY OF RIVER FALLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

The city reports the following nonmajor governmental and enterprise funds:

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

Parking Improvements	Tax Increment District #9
Refuse/Solid Waste	Tax Increment District #10
Shared Ride Taxi	Tax Increment District #11
Media Services	Library
Environmental Fee	Commercial Revolving Loan Fund
Park Acquisition Fund	Park Impact Fees
Tax Increment District #4	Library Impact Fees
Tax Increment District #5	Fire Impact Fees
Tax Increment District #6	Housing Reserve
Tax Increment District #7	Library Trust Fund
Tax Increment District #8	Tourism and Economic Development

Debt Service Funds - 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

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

#### Capital Equipment

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

Stormwater  
Ambulance

# CITY OF RIVER FALLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (cont.)***

#### ***Fund Financial Statements (cont.)***

In addition, the city reports the following fund types:

Internal Service Funds - 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

Agency Funds - used to account for and report assets held by the city in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Tax Collection Fund

### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION***

#### ***Government-Wide Financial Statements***

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the city's 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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### *C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)*

##### *Fund Financial Statements*

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

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

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

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

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

Proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described previously in this note. Agency funds follow the accrual basis of accounting, and do not have a measurement focus.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION (cont.)***

##### ***All Financial Statements***

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

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY***

##### ***1. Deposits and Investments***

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

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 maturing in three years or less.
- 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  
As of and for the Year Ended December 31, 2015

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## NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### ***1. Deposits and Investments (cont.)***

##### **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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***1. Deposits and Investments (cont.)***

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 quoted market prices. 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.

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, 2015, 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 III. A. for further information.

##### ***2. Receivables***

Property taxes are levied in December on the assessed value as of the prior January 1. In addition to property taxes for the city, taxes are collected for and remitted to the state and county governments as well as 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 assets and liabilities - agency fund.

Property tax calendar - 2015 tax roll:

Lien date and levy date	December 2015
Tax bills mailed	December 2015
Payment in full, or	January 31, 2016
First installment due	January 31, 2016
Second installment due	July 31, 2016
Personal property taxes in full	January 31, 2016
Tax sale - 2015 delinquent real estate taxes	October 2018

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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***2. Receivables (cont.)***

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.

##### ***3. 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.

##### ***4. 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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### **5. Capital Assets**

###### ***Government-Wide Statements***

Capital assets, which include property, plant and equipment, are reported in the government-wide financial statements. Capital assets are defined by the government as assets with an initial cost of more than \$5,000 for general capital assets and \$100,000 for infrastructure assets, and an estimated useful life in excess of 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 fair 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, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during the current year. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from plant accounts and, generally, together with removal costs less salvage, is charged to accumulated depreciation.

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

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

###### ***Fund Financial Statements***

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

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

---

#### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

##### ***6. Deferred Outflows of Resources***

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

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

##### ***7. Compensated Absences***

Under terms of employment, employees are granted sick leave, vacations, and compensation time 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, 2015, are determined on the basis of current salary rates and include salary related payments.

##### ***8. Long-Term Obligations/Conduit Debt***

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 and accrued compensated absences.

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.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

**8. Long-Term Obligations/Conduit Debt (cont.)**

The city has approved the issuance of industrial revenue bonds (IRB) for the benefit of private business enterprises. IRB's are secured by mortgages or revenue agreements on the associated projects, and do not constitute indebtedness of the city. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The total amount of IRB's outstanding at the end of the year is approximately \$550,000, made up of one issue.

**9. Deferred Inflows of Resources**

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

**10. Equity Classifications**

**Government-Wide Statements**

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

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation 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	\$ 45,498,303	\$ 44,124,132	\$ (1,792,505)	\$ 87,829,930
Unrestricted	2,393,487	12,926,840	1,792,505	17,112,832

# CITY OF RIVER FALLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## **NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

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### ***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

#### **10. Equity Classifications (cont.)**

##### ***Government-Wide Statements (cont.)***

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.
- 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 III. H. for further information.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)**

***D. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY (cont.)***

**11. Basis for Existing Rates**

Current electric rates were approved by the PSCW on April 10, 2008.

Current water rates were approved by the PSCW effective April 13, 2012. Subsequently, the PSCW approved updated water rates on May 25, 2016 for an effective date of June 27, 2016.

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

Stormwater rates were effective April 1, 2007.

Current ambulance rates were effective January 1, 2015.

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

***A. EXCESS EXPENDITURES AND OTHER FINANCING USES OVER APPROPRIATIONS***

The city approved a biennial budget for fiscal years 2015 and 2016; however, only the 2015 budget and actual results are included in these financial statements.

<u>Fund</u>	<u>Budgeted Expenditures and Other Financing Uses</u>	<u>Actual Expenditures and Other Financing Uses</u>	<u>Excess Expenditures and Other Financing Uses Over Budget</u>
Debt Service Bonds	\$ 288,558	\$ 1,902,081	\$ 1,613,523
Refuse/Solid Waste	64,564	70,090	5,526
Shared Ride Taxi	195,694	224,571	28,877
TIF #4	243,129	243,174	45
TIF #7	13,288	32,969	19,681
TIF #8	64,991	149,446	84,455
TIF #10	359,521	566,058	206,537
TIF #11	-	14,674	14,674
Library Trust Fund	5,867	11,295	5,428
Tourism and Economic Development	108,500	156,123	47,623
Debt Service Notes	651,811	1,012,071	360,260
Capital Equipment	989,905	1,070,933	81,028

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.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (cont.)**

***B. DEFICIT BALANCES***

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

As of December 31, 2015, the following individual funds held a deficit balance:

Fund	Amount	Reason
TIF #5	\$ 230,522	Insufficient tax increment generated
TIF #6	883,929	Insufficient tax increment generated
TIF #7	416,247	Insufficient tax increment generated
TIF #8	108,875	Insufficient tax increment generated
TIF #9	268,318	Insufficient tax increment generated
TIF #10	553,287	Insufficient tax increment generated
TIF #11	14,674	Insufficient tax increment generated
Commercial Revolving Loan Fund	20,333	Costs exceeded revenues due to the long-term nature of loan repayments
Tourism and Economic Development	758,118	Costs exceeded revenues due to purchase of property

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.

***C. LIMITATIONS ON THE CITY'S TAX LEVY***

Wisconsin law limits the city's future tax levies. Generally the city is limited to its prior tax levy dollar amount (excluding TIF Districts), increased by the greater of the percentage change in the city's equalized value due to new construction or 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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS

#### A. 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	\$ 7,432,459	\$ 8,038,855	Custodial credit
US agencies	189,690	189,690	Custodial credit, credit, interest rate, concentration of credit
LGIP	14,062,530	14,062,530	Credit
US treasuries	1,863,790	1,863,790	Custodial credit, interest rate
Corporate bonds	1,076,858	1,076,858	Custodial credit, credit, interest rate, concentration of credit
Asset-backed securities	229,225	229,225	Custodial credit, credit, interest rate, concentration of credit
Municipally-held securities	95,473	95,473	Custodial credit, credit, interest rate, concentration of credit
Mortgage-backed securities	172,463	172,463	Custodial credit, credit, interest rate, concentration of credit
Petty cash	<u>550</u>	<u>-</u>	N/A
<b>Total Deposits and Investments</b>	<b><u>\$ 25,123,038</u></b>	<b><u>\$ 25,728,884</u></b>	
Reconciliation to financial statements			
Per statement of net position			
Unrestricted cash and investments	\$ 21,906,362		
Restricted cash and investments	2,050,286		
Per statement of assets and liabilities - agency fund			
Agency Fund	<u>1,166,390</u>		
<b>Total Deposits and Investments</b>	<b><u>\$ 25,123,038</u></b>		

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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### A. DEPOSITS AND INVESTMENTS (cont.)

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 accounts at Security Financial Bank are secured by a \$9,000,000 Federal Home Loan Bank letter of credit. The city also maintains collateral agreements with its other banks. At December 31, 2015, those banks had pledged various government securities in the amount of \$965,706 to secure the city's deposits.

#### ***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.

#### ***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, 2015, the city's investments were rated as follows:

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

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**A. DEPOSITS AND INVESTMENTS (cont.)**

**Credit Risk (cont.)**

The city also held investments in the following external pools 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, 2015, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Months)	
		Less than One Year	One - Five
US treasuries	\$ 1,863,790	\$ -	\$ 1,863,790
US agencies	189,690	-	189,690
Asset-backed securities	229,225	74,894	154,331
Municipally-held securities	95,473	45,384	50,089
Corporate bonds	1,076,858	71,146	1,005,712
Mortgage-backed securities	<u>172,463</u>	<u>3,443</u>	<u>169,020</u>
Totals	<u>\$ 3,627,499</u>	<u>\$ 194,867</u>	<u>\$ 3,432,632</u>

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

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**B. RECEIVABLES**

All of the receivables on the balance sheet are expected to be collected within one year except for special assessments of \$87,804 in the general fund, loans of \$269,800 in the general capital projects fund, loans of \$28,977 in the electric fund, special assessments of \$32,456 in non-major governmental funds, and loans of \$498,791 in non-major governmental funds.

Revenues of the ambulance are reported net of contractual cost reductions related to Medicare and Medicaid and amount to \$1,252,266 for the current period.

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

General Fund	\$ <u>24,047</u>
Allowance for uncollectible court and parking ticket receivables	
Nonmajor Enterprise Funds	\$ <u>399,409</u>
Allowance for uncollectible ambulance receivables	

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

	Unearned	Unavailable
Property taxes receivable	\$ 6,506,059	\$ 15,775
Special assessments receivable	12,366	86,410
Grants receivable	-	641,234
Loans receivable	-	865,138
Miscellaneous	2,500	58,036
 Total Unearned/Unavailable Revenue for Governmental Funds	 6,520,925	 <u>\$ 1,666,593</u>
 Unearned revenue included in liabilities	 2,258,597	
 Total Unearned Revenue for Governmental Funds	 <u>\$ 8,779,522</u>	

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### **C. 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 of business-type activities at December 31, 2015:

Restricted Assets	
Bond redemption account	\$ 664,489
Bond reserve account	440,178
Impact fee account	594,184
Replacement account	351,435
Net pension asset	<u>310,771</u>
Total Restricted Assets	<u>\$ 2,361,057</u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2015, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<b>Governmental Activities</b>				
Capital assets not being depreciated/amortized				
Land	\$ 15,816,132	\$ 211,963	\$ -	\$ 16,028,095
Construction in progress	<u>7,424,951</u>	<u>775,754</u>	-	<u>8,200,705</u>
Total Capital Assets Not Being Depreciated/Amortized	<u>23,241,083</u>	<u>987,717</u>	-	<u>24,228,800</u>
Capital assets being depreciated/amortized				
Land improvements	521,469	-	-	521,469
Buildings	14,544,602	728,935	-	15,273,537
Machinery and equipment	5,235,816	1,668,700	98,387	6,806,129
Infrastructure	29,228,155	-	-	29,228,155
Intangibles	<u>269,385</u>	<u>67,204</u>	-	<u>336,589</u>
Total Capital Assets Being Depreciated/Amortized	<u>49,799,427</u>	<u>2,464,839</u>	<u>98,387</u>	<u>52,165,879</u>
Total Capital Assets	<u>73,040,510</u>	<u>3,452,556</u>	<u>98,387</u>	<u>76,394,679</u>
Less: Accumulated depreciation/amortization for				
Land improvements	(216,375)	(23,693)	-	(240,068)
Buildings	(4,928,972)	(383,152)	-	(5,312,124)
Machinery and equipment	(2,614,259)	(354,333)	69,986	(2,898,606)
Infrastructure	(7,225,170)	(411,419)	-	(7,636,589)
Intangibles	<u>(30,771)</u>	<u>(32,459)</u>	-	<u>(63,230)</u>
Total Accumulated Depreciation/Amortization	<u>(15,015,547)</u>	<u>(1,205,056)</u>	<u>69,986</u>	<u>(16,150,617)</u>
Net Capital Assets Being Depreciated/Amortized	<u>34,783,880</u>	<u>1,259,783</u>	<u>28,401</u>	<u>36,015,262</u>
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation/ Amortization	<u>\$ 58,024,963</u>	<u>\$ 2,247,500</u>	<u>\$ 28,401</u>	<u>\$ 60,244,062</u>

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

#### D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

#### Governmental Activities

General government	\$ 202,689
Public safety	159,202
Public works	562,004
Leisure	266,204
Conservation and development	<u>14,957</u>
Total Governmental Activities Depreciation/Amortization Expense	<u><u>\$ 1,205,056</u></u>

#### Business-type Activities

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Electric</u>				
Capital assets not being depreciated				
Land and land rights	\$ 107,127	\$ -	\$ -	\$ 107,127
Construction in progress	<u>445,799</u>	<u>471,494</u>	<u>834,809</u>	<u>82,484</u>
Total Capital Assets Not Being Depreciated	<u>552,926</u>	<u>471,494</u>	<u>834,809</u>	<u>189,611</u>
Capital assets being depreciated				
Hydraulic production	932,179	-	-	932,179
Other production	1,260,829	-	-	1,260,829
Transmission	1,536,162	-	-	1,536,162
Distribution	17,505,309	1,037,735	219,471	18,323,573
General	<u>2,059,403</u>	<u>261,363</u>	<u>181,536</u>	<u>2,139,230</u>
Total Capital Assets Being Depreciated	<u>23,293,882</u>	<u>1,299,098</u>	<u>401,007</u>	<u>24,191,973</u>
Total Capital Assets	<u>23,846,808</u>	<u>1,770,592</u>	<u>1,235,816</u>	<u>24,381,584</u>
Less: Accumulated depreciation for				
Hydraulic production	(594,679)	(21,468)	-	(616,147)
Other production	(672,994)	(32,061)	-	(705,055)
Transmission	(1,149,174)	(36,133)	-	(1,185,307)
Distribution	(8,423,477)	(624,634)	277,462	(8,770,649)
General	<u>(1,517,524)</u>	<u>(71,102)</u>	<u>181,536</u>	<u>(1,407,090)</u>
Total Accumulated Depreciation	<u>(12,357,848)</u>	<u>(785,398)</u>	<u>458,998</u>	<u>(12,684,248)</u>
Net Capital Assets Being Depreciated	<u>10,936,034</u>	<u>513,700</u>	<u>(57,991)</u>	<u>11,507,725</u>
Net Electric Capital Assets	<u><u>\$ 11,488,960</u></u>	<u><u>\$ 985,194</u></u>	<u><u>\$ 776,818</u></u>	<u><u>\$ 11,697,336</u></u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Water</u>				
Capital assets not being depreciated				
Land and land rights	\$ 23,120	\$ -	\$ -	\$ 23,120
Construction in progress	94,354	7,756	7,756	94,354
Total Capital Assets Not Being Depreciated	117,474	7,756	7,756	117,474
Capital assets being depreciated				
Source of supply	234,839	-	-	234,839
Pumping	2,080,866	-	-	2,080,866
Water treatment	83,786	-	-	83,786
Transmission and distribution	15,780,082	135,843	70,401	15,845,524
General	567,144	62,616	7,126	622,634
Total Capital Assets Being Depreciated	18,746,717	198,459	77,527	18,867,649
Total Capital Assets	18,864,191	206,215	85,283	18,985,123
Less: Accumulated depreciation/amortization for				
Source of supply	(94,119)	(4,266)	-	(98,385)
Pumping	(412,761)	(62,004)	-	(474,765)
Water treatment	(42,926)	(2,694)	-	(45,620)
Transmission and distribution	(3,939,619)	(351,058)	70,401	(4,220,276)
General	(407,649)	(21,820)	7,126	(422,343)
Total Accumulated Depreciation/Amortization	(4,897,074)	(441,842)	77,527	(5,261,389)
Net Capital Assets Being Depreciated	13,849,643	(243,383)	-	13,606,260
Net Water Capital Assets	\$ 13,967,117	\$ (235,627)	\$ 7,756	\$ 13,723,734

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	Beginning Balance	Additions	Deletions	Ending Balance
<u>Sewer</u>				
Capital assets not being depreciated				
Land and land rights	\$ 117,622	\$ -	\$ -	\$ 117,622
Construction in progress	124,651	221,894	-	346,545
Total Capital Assets Not Being Depreciated	<u>242,273</u>	<u>221,894</u>	<u>-</u>	<u>464,167</u>
Capital assets being depreciated				
Collection system	16,735,496	23,888	-	16,759,384
Collection system pumping	1,105,140	-	-	1,105,140
Treatment and disposal	8,118,093	-	-	8,118,093
General	1,682,130	41,272	13,392	1,710,010
Total Capital Assets Being Depreciated	<u>27,640,859</u>	<u>65,160</u>	<u>13,392</u>	<u>27,692,627</u>
Total Capital Assets	<u>27,883,132</u>	<u>287,054</u>	<u>13,392</u>	<u>28,156,794</u>
Less: Accumulated depreciation for				
Collection system	(2,802,553)	(178,901)	-	(2,981,454)
Collection system pumping	(820,131)	(39,866)	-	(859,997)
Treatment and disposal	(4,066,351)	(240,784)	-	(4,307,135)
General	(872,775)	(59,161)	13,392	(918,544)
Total Accumulated Depreciation	<u>(8,561,810)</u>	<u>(518,712)</u>	<u>13,392</u>	<u>(9,067,130)</u>
Net Capital Assets Being Depreciated	<u>19,079,049</u>	<u>(453,552)</u>	<u>-</u>	<u>18,625,497</u>
Net Sewer Capital Assets	<u>\$ 19,321,322</u>	<u>\$ (231,658)</u>	<u>\$ -</u>	<u>\$ 19,089,664</u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Stormwater</u>				
Capital assets being depreciated				
Machinery and equipment	\$ 132,250	\$ 3,438	\$ -	\$ 135,688
Collection system	<u>7,522,794</u>	<u>-</u>	<u>-</u>	<u>7,522,794</u>
Total Capital Assets Being Depreciated	<u>7,655,044</u>	<u>3,438</u>	<u>-</u>	<u>7,658,482</u>
Less: Accumulated depreciation for				
Machinery and equipment	(36,699)	(13,447)	-	(50,146)
Collection system	<u>(1,591,590)</u>	<u>(140,942)</u>	<u>-</u>	<u>(1,732,532)</u>
Total Accumulated depreciation	<u>(1,628,289)</u>	<u>(154,389)</u>	<u>-</u>	<u>(1,782,678)</u>
Net Capital Assets Being Depreciated	<u>6,026,755</u>	<u>(150,951)</u>	<u>-</u>	<u>5,875,804</u>
Net Stormwater Capital Assets	<u>\$ 6,026,755</u>	<u>\$ (150,951)</u>	<u>\$ -</u>	<u>\$ 5,875,804</u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**D. CAPITAL ASSETS (cont.)**

**Business-type Activities (cont.)**

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<u>Ambulance</u>				
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				
Building improvements	21,393	-	-	21,393
Buildings	601,408	-	-	601,408
Machinery and equipment	<u>794,990</u>	<u>353,897</u>	<u>76,559</u>	<u>1,072,328</u>
Total Capital Assets Being Depreciated	<u>1,417,791</u>	<u>353,897</u>	<u>76,559</u>	<u>1,695,129</u>
Total Capital Assets	<u>1,519,089</u>	<u>353,897</u>	<u>76,559</u>	<u>1,796,427</u>
Less: Accumulated depreciation for				
Building improvements	(21,393)	-	-	(21,393)
Buildings	(352,028)	(21,832)	-	(373,860)
Machinery and equipment	<u>(568,585)</u>	<u>(86,854)</u>	<u>72,731</u>	<u>(582,708)</u>
Total Accumulated Depreciation	<u>(942,006)</u>	<u>(108,686)</u>	<u>72,731</u>	<u>(977,961)</u>
Net Capital Assets Being Depreciated	<u>475,785</u>	<u>245,211</u>	<u>3,828</u>	<u>717,168</u>
Net Ambulance Capital Assets	<u>\$ 577,083</u>	<u>\$ 245,211</u>	<u>\$ 3,828</u>	<u>\$ 818,466</u>
Business-type Capital Assets, Net of Accumulated Depreciation	<u>\$ 51,381,237</u>	<u>\$ 612,169</u>	<u>\$ 788,402</u>	<u>\$ 51,205,004</u>

Depreciation expense was charged to functions as follows:

**Business-type Activities**

Electric	\$ 785,398
Water	397,234
Sewer	563,321
Stormwater	154,389
Ambulance	<u>108,686</u>

Total Business-type Activities Depreciation Expense \$ 2,009,028

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

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS***

***Interfund Receivables/Payables***

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

Receivable Fund	Payable Fund	Amount
General Fund	Debt Service Bonds	\$ 85,351
	Commercial Revolving Loan	
General Fund	Fund	22,180
General Fund	Debt Service Notes	71
General Fund	Technology	244,091
Environmental Fee	General Fund	700,000
Total - Fund Financial Statements		1,051,693
Less: Fund eliminations		(807,602)
Add: Interfund receivables created with internal service fund eliminations		80,129
Total Internal Balances - Government-Wide Statement of Net Position		\$ 324,220

All amounts are due within one year.

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

***Advances***

The general fund is advancing funds to TIF Districts No. 5, No. 6, No. 7, No. 8, No. 9, No. 10 and No. 11. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since each District's inception. No repayment schedule has been established for TIF Districts No. 6, No. 7, No. 8, No. 9, No. 10 and No. 11. The advance to TIF District No. 5 is scheduled to be paid off in 2017.

In 2011, the Environmental Fee fund advanced \$1,000,000 to the Tourism and Economic Development fund. No repayment schedule has been established.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***Advances (cont.)***

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District #5	\$ 235,462	\$ 182,133
General Fund	TIF District #6	883,929	883,929
General Fund	TIF District #7	507,093	507,093
General Fund	TIF District #8	108,875	108,875
General Fund	TIF District #9	268,318	268,318
General Fund	TIF District #10	519,442	519,442
General Fund	TIF District #11	15,000	15,000
Environmental Fee	Tourism and Economic Development	1,000,000	1,000,000
Total - Fund Financial Statements		3,538,119	
Less: Fund eliminations		(3,538,119)	
Total - Interfund Advances - Government-Wide Statement of Net Position		\$ -	

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

***E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)***

***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	General Capital Projects	\$ 39,504	Budgeted allocations
General	Debt Service Bonds	5,588	Budgeted allocations
General	Nonmajor governmental funds	425,703	Budgeted allocations
General	Electric utility	557,412	Property tax equivalent & budgeted allocations
General	Water utility	392,504	Property tax equivalent & budgeted allocations
General	Sewer utility	152,851	Budgeted allocations
General	Nonmajor enterprise funds	111,331	Budgeted allocations
General	Internal service funds	18,596	Budgeted allocations
Debt Service Bonds	General Capital Projects	77,543	Budgeted allocations
General Capital Projects	Nonmajor governmental funds	83,559	Purchase of land
Nonmajor governmental funds	General	31,712	Budgeted allocations
Nonmajor governmental funds	Nonmajor governmental funds	72,850	Budgeted allocations and debt payment
Nonmajor enterprise funds	Nonmajor governmental funds	5,000	Budgeted allocations
Nonmajor enterprise funds	General	75,200	Budgeted allocations
Internal service funds	General	312,844	Budgeted allocations
Internal service funds	Nonmajor governmental funds	73,064	Budgeted allocations
Internal service funds	Electric utility	101,394	Budgeted allocations
Internal service funds	Water utility	17,654	Budgeted allocations
Internal service funds	Sewer utility	29,096	Budgeted allocations
Internal service funds	Nonmajor enterprise funds	45,451	Budgeted allocations
Internal service funds	Internal service funds	<u>15,410</u>	Budgeted allocations
Total - Fund Financial Statements		2,644,266	
Less: Fund and government-wide eliminations		<u>(1,316,773)</u>	
Total Transfers - Government-Wide Statement of Activities		<u><u>\$ 1,327,493</u></u>	

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**E. INTERFUND RECEIVABLES/PAYABLES, ADVANCES AND TRANSFERS (cont.)**

**Transfers (cont.)**

<u>Fund Transferred To</u>	<u>Fund Transferred From</u>	<u>Amount</u>
Governmental Activities	Business-type Activities	\$ 1,407,693
Business-type Activities	Governmental Activities	<u>(80,200)</u>
Total Government-wide Financial Statements		<u>\$ 1,327,493</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.

**F. LONG-TERM OBLIGATIONS**

Long-term obligations activity for the year ended December 31, 2015, was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<b>Governmental Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 15,601,541	\$ 4,569,800	\$ 3,241,779	\$ 16,929,562	\$ 1,153,905
(Discounts)/Premiums	<u>309,266</u>	<u>-</u>	<u>13,459</u>	<u>295,807</u>	<u>-</u>
Sub-totals	<u>15,910,807</u>	<u>4,569,800</u>	<u>3,255,238</u>	<u>17,225,369</u>	<u>1,153,905</u>
Other Liabilities					
Vested compensated absences	860,700	105,712	109,942	856,470	331,102
Capital leases	59,513	-	12,345	47,168	12,021
Other postemployment benefits	492,042	22,552	-	514,594	-
Landfill post-closure care cost	<u>166,714</u>	<u>1,166</u>	<u>13,680</u>	<u>154,200</u>	<u>13,680</u>
Total Other Liabilities	<u>1,578,969</u>	<u>129,430</u>	<u>135,967</u>	<u>1,572,432</u>	<u>356,803</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 17,489,776</u>	<u>\$ 4,699,230</u>	<u>\$ 3,391,205</u>	<u>\$ 18,797,801</u>	<u>\$ 1,510,708</u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<b>Business-type Activities</b>					
Bonds and Notes Payable					
General obligation debt	\$ 4,414,596	\$ -	\$ 601,558	\$ 3,813,038	\$ 723,278
Revenue bonds	4,288,291	-	518,317	3,769,974	258,125
Other long-term debt	108,707	-	71,621	37,086	9,864
(Discounts)/Premiums	130,637	-	18,078	112,559	-
Sub-totals	8,942,231	-	1,209,574	7,732,657	991,267
<b>Other Liabilities</b>					
Vested compensated absences	240,453	29,312	49,248	220,517	111,016
Other postemployment benefits	159,701	7,317	-	167,018	-
Total Other Liabilities	400,154	36,629	49,248	387,535	111,016
Total Business-type Activities Long-Term Liabilities	\$ 9,342,385	\$ 36,629	\$ 1,258,822	\$ 8,120,192	\$ 1,102,283

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, 2015, was \$43,965,230. Total general obligation debt outstanding at year end was \$20,742,600.

**General Obligation Debt**

All general obligation notes and bonds payable are backed by the full faith and credit of the city. Notes and bonds 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.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

**Governmental Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
State Trust Fund Loan	09/2008	03/2018	4.25%	\$ 300,000	\$ 115,080
Refunding Bonds	03/2009	03/2029	3.0-4.6%	5,070,000	4,755,000
Promissory Note	12/2011	11/2016	2.77%	54,000	9,076
Refunding Bonds	03/2012	03/2028	2.4%	4,560,000	3,455,000
Promissory Note	12/2012	12/2017	1.917%	118,000	47,920
Promissory Note	11/2013	11/2018	1.79%	250,000	152,686
Corporate Purpose Bonds	08/2014	06/2034	3.00-4.00%	5,425,000	5,425,000
State Trust Fund Loan	07/2015	03/2034	3.75%	1,600,000	1,600,000
State Trust Fund Loan	10/2015	03/2025	3.25%	269,800	269,800
Promissory Note	10/2015	10/2025	2.94%	575,000	575,000
Refunding Promissory Note	10/2015	10/2017	1.19%	525,000	<u>525,000</u>
Total Governmental Activities - General Obligation Debt					<u>\$ 16,929,562</u>

**Business-type Activities**

<u>General Obligation Debt</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
Promissory Note	12/2011	11/2016	2.77%	\$ 166,000	\$ 34,924
Refunding Bonds	07/2011	11/2019	2.0-2.5%	1,740,000	1,220,000
Refunding Bonds	08/2012	05/2023	1.0-2.5%	3,165,000	2,410,000
Promissory Note	12/2012	12/2017	1.917%	360,000	<u>148,114</u>
Total Business-type Activities - General Obligation Debt					<u>\$ 3,813,038</u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**General Obligation Debt (cont.)**

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt		Business-type Activities General Obligation Debt	
	Principal	Interest	Principal	Interest
2016	\$ 1,153,905	\$ 547,473	\$ 723,278	\$ 78,816
2017	1,389,062	551,484	709,760	63,283
2018	1,354,928	513,609	655,000	46,413
2019	1,236,402	469,276	440,000	32,725
2020	1,264,627	428,315	305,000	23,413
2021-2025	4,993,877	1,540,542	980,000	29,900
2026-2030	3,876,544	688,173	-	-
2031-2034	1,660,217	152,007	-	-
Totals	<u>\$ 16,929,562</u>	<u>\$ 4,890,879</u>	<u>\$ 3,813,038</u>	<u>\$ 274,550</u>

**Revenue Debt**

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

The water utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 2011. The bonds are payable solely from water utility revenues and are payable through 2031. Annual principal and interest payments on the bonds are expected to require 22.71% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,507,701. Principal and interest paid for the current year and total customer net revenues were \$157,248 and \$689,996, respectively.

The sewer utility has pledged future revenues, net of specified operating expenses, to repay revenue bonds issued in 1995, 2005 and 2008. The bonds are payable solely from sewer utility revenues and are payable through 2025. Annual principal and interest payments on the bonds are expected to require 16.34% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,178,203. Principal and interest paid for the current year and total customer net revenues were \$487,392 and \$1,333,375, respectively.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**F. LONG-TERM OBLIGATIONS (cont.)**

**Revenue Debt (cont.)**

Revenue debt payable at December 31, 2015, consists of the following:

**Business-type Activities Revenue Debt**

	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Balance December 31, 2015</u>
<u>Water Utility</u>					
Revenue Bonds	07/2011	11/2031	2.0-4.4%	\$ 2,125,000	\$ <u>1,865,000</u>
				Total Water Utility	<u>1,865,000</u>
<u>Sewer Utility</u>					
Revenue Bonds	11/2005	05/2025	2.746%	3,317,130	<u>1,904,974</u>
				Total Sewer Utility	<u>1,904,974</u>
Total Business-type Activities - Revenue Debt					\$ <u><u>3,769,974</u></u>

Debt service requirements to maturity are as follows:

<u>Years</u>	<u>Business-type Activities Revenue Debt</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 258,125	\$ 115,449
2017	267,742	108,801
2018	272,486	101,688
2019	282,359	94,213
2020	287,367	86,336
2021-2025	1,571,895	298,167
2026-2030	675,000	107,865
2031	<u>155,000</u>	<u>3,410</u>
Totals	\$ <u><u>3,769,974</u></u>	\$ <u><u>915,929</u></u>

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *F. LONG-TERM OBLIGATIONS* (cont.)

##### ***Other Debt Information***

Estimated payments of compensated absences, other post employment benefits, and landfill postclosure care costs are not included in the debt service requirement schedules. The liabilities are attributable to governmental activities will be liquidated primarily by the general fund.

A statutory mortgage lien upon the utilities' system and any additions, improvements and extensions thereto is created by Section 66.0621 of the Wisconsin Statutes as provided for in the ordinances creating the revenue bond issue. The utilities' system and the earnings of the system remain subject to the lien until payment in full of the principal and interest on the bonds.

##### ***Current Refunding***

On October 15, 2015, the city issued a \$525,000 general obligation promissory note with an interest rate of 1.19% to refund \$525,000 of outstanding notes with an average coupon rate of 3.83%. The net proceeds were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$552,750 from 2016 through 2017. The cash flow requirements on the refunding note are \$532,827 from 2016 through 2017. The economic gain or loss (difference between the present values of the debt service payments on the old and new debt) on this current refunding was not determined.

On July 1, 2015, the city issued a \$1,600,000 20 year State Trust Fund Loan with an interest rate of 3.75% to refund \$1,600,000 of an outstanding 10 year State Trust Fund Loan with an interest rate of 3.50%. The net proceeds were used to prepay the outstanding debt.

The cash flow requirements on the refunded debt prior to the current refunding was \$1,902,400 from 2016 through 2024. The cash flow requirements on the refunding loan are \$2,242,083 from 2016 through 2034. The current refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$24,974.

#### ***G. 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 \$154,200 reported as landfill closure and postclosure care liability at December 31, 2015, represents the estimated amount of future postclosure costs. These amounts are based on what it would cost to perform all postclosure care in 2015. Actual cost may be higher due to inflation, changes in technology, or changes in regulations.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)

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#### *H. NET POSITION/FUND BALANCES*

Net position reported on the government wide statement of net position at December 31, 2015, includes the following:

#### *Governmental Activities*

Net Investment in Capital Assets	
Land	\$ 16,028,095
Construction in progress	8,200,705
Other capital assets, net of accumulated depreciation	36,015,262
Less: Long-term debt outstanding	(16,929,562)
Plus: Noncapital debt proceeds	2,479,610
Plus: Unamortized debt discount	51,287
Less: Unamortized debt premium	<u>(347,094)</u>
Total Net Investment in Capital Assets	<u>\$ 45,498,303</u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. NET POSITION/FUND BALANCES (cont.)**

**Governmental Funds**

Governmental fund balances reported on the fund financial statements at December 31, 2015, include the following:

	General Fund	Debt Service Bonds	General Capital Projects Fund	Nonmajor Funds	Totals
<b>Fund Balances</b>					
<b>Nonspendable:</b>					
Inventories and prepayments	\$ 91,658	\$ -	\$ -	\$ 13,777	\$ 105,435
Advances to other funds	2,538,119	-	-	-	2,538,119
<b>Restricted for:</b>					
Debt service	-	4,576	-	7,192	11,768
Parking improvements	-	-	-	126,691	126,691
Refuse/solid waste	-	-	-	302,670	302,670
Shared ride taxi	-	-	-	9,216	9,216
Environmental fee	-	-	-	2,849,698	2,849,698
Future TIF expenditures	-	-	-	9,160	9,160
Library	-	-	-	36,187	36,187
Park impact fees	-	-	-	82,735	82,735
Library impact fees	-	-	-	3,719	3,719
Fire impact fees	-	-	-	149,420	149,420
Housing reserve	-	-	-	265,416	265,416
Library trust	-	-	-	152,091	152,091
<b>Committed to:</b>					
Capital projects	-	-	144,064	-	144,064
Media services	-	-	-	167,763	167,763
Park acquisition	-	-	-	792	792
Capital equipment	-	-	-	91,192	91,192
<b>Unassigned (deficit):</b>	<u>4,473,663</u>	<u>-</u>	<u>-</u>	<u>(3,254,967)</u>	<u>1,218,696</u>
<b>Total Fund Balances (Deficit)</b>	<u><u>\$ 7,103,440</u></u>	<u><u>\$ 4,576</u></u>	<u><u>\$ 144,064</u></u>	<u><u>\$ 1,012,752</u></u>	<u><u>\$ 8,264,832</u></u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**H. NET POSITION/FUND BALANCES (cont.)**

***Business-type Activities***

Net Investment in Capital Assets	
Land	\$ 349,167
Construction in progress	523,383
Other capital assets, net of accumulated depreciation	50,332,454
Less: Long-term debt outstanding	(7,620,098)
Plus: Unspent capital related debt proceeds	440,178
Plus: Noncapital debt proceeds	37,086
Plus: Unamortized loss on refunding	174,521
Less: Unamortized debt premium	<u>(112,559)</u>
 Total Net Investment in Capital Assets	 <u><u>\$ 44,124,132</u></u>

Of the total December 31, 2015 unrestricted net position of \$8,175,636 in the electric utility, \$55,786 has been committed by the city for hydroelectric operations.

**I. RESTATEMENT OF NET POSITION**

Net position has been restated as a result of the implementation of GASB Statement No. 68 - *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27* and implementation of GASB Statement No. 71 - *Pension Transition for Contributions Made Subsequent to the Measurement Date*. These statements require the net pension asset and related deferred outflows and deferred inflows, if any, to be reported in the financial statements. The details of this restatement are as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Electric Utility</u>	<u>Water Utility</u>	<u>Sewer Utility</u>	<u>Stormwater</u>	<u>Ambulance</u>	<u>City Hall</u>
Net Position - December 31, 2014 (as reported)	\$ 49,282,509	\$ 56,332,176	\$ 18,659,228	\$ 13,615,395	\$ 16,690,174	\$ 5,937,930	\$ 1,589,998	\$ 66,379
Add: Net pension asset	1,423,873	505,595	201,791	81,570	103,163	30,860	88,211	18,386
Add: Deferred outflows related to pensions	<u>349,416</u>	<u>124,072</u>	<u>49,519</u>	<u>20,017</u>	<u>25,316</u>	<u>7,573</u>	<u>21,647</u>	<u>4,512</u>
Net Position - December 31, 2014 (as restated)	<u><u>\$ 51,055,798</u></u>	<u><u>\$ 56,961,843</u></u>	<u><u>\$ 18,910,538</u></u>	<u><u>\$ 13,716,982</u></u>	<u><u>\$ 16,818,653</u></u>	<u><u>\$ 5,976,363</u></u>	<u><u>\$ 1,699,856</u></u>	<u><u>\$ 89,277</u></u>

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE III - DETAILED NOTES ON ALL FUNDS (cont.)**

**J. COMPONENT UNIT**

**BUSINESS IMPROVEMENT DISTRICT**

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

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

a. Basis of Accounting/Measurement Focus

The BID follows the modified accrual basis of accounting and the flow of financial resources measurement focus.

b. Deposits and Investments

	Carrying Value	Statement Balances	Associated Risks
Deposits	<u>\$ 20,272</u>	<u>\$ 20,272</u>	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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION

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#### **A. EMPLOYEES' RETIREMENT SYSTEM**

##### **Summary of Significant Accounting Policies**

**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.

##### **General Information About the Pension Plan**

**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, and expected to work at least 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**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 State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**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>
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### **A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

**Contributions.** Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees and Executives and Elected Officials. 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 \$473,488 in contributions from the city.

Contribution rates as of December 31, 2015 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

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

At December 31, 2015, the city reported an asset of \$1,185,974 for its proportionate share of the net pension asset. The net pension asset was measured as of December 31, 2014, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. 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, 2014, the city's proportion was 0.04828345%, which was a decrease of 0.00065679% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the city recognized pension expense of \$500,723.

**CITY OF RIVER FALLS**

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

**NOTE IV - OTHER INFORMATION (cont.)**

**A. EMPLOYEES' RETIREMENT SYSTEM (cont.)**

At December 31, 2015, the city reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Differences between expected and actual experience	\$ 163,261
Net differences between projected and actual earnings on pension plan investments	543,113
Changes in proportion and differences between employer contributions and proportionate share of contributions	21,356
Employer contributions subsequent to the measurement date	462,018
Totals	\$ 1,189,748

\$462,018 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 . Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year Ended December 31:	Deferred Outflows of Resources
2016	\$ 146,907
2017	187,902
2018	187,902
2019	187,900
2020	17,119

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Actuarial assumptions.** The total pension liability in the December 31, 2014 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*:	2.1%

*\* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2012 using experience from 2009 – 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7	23
Fixed Income	1.7	36
Inflation Sensitive Assets	2.3	20
Real Estate	4.2	7
Private Equity/Debt	6.9	7
Multi-Asset	3.9	6
Cash	0.9	-20

**Single discount rate.** A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

**Sensitivity of the city's proportionate share of the net pension asset to changes in the discount rate.** The following presents the city's proportionate share of the net pension asset calculated using the discount rate of 7.20 percent, as well as what the city's proportionate share of the net pension asset would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase to Discount Rate (8.20%)
City's proportionate share of the net pension asset	\$(3,345,836)	\$1,185,974	\$4,765,013

**Pension plan fiduciary net position.** Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <http://legis.wisconsin.gov/lab/> and reference report number 15-11.

At December 31, 2015, the city reported a payable to the pension plan which represents contractually required contributions outstanding as of the end of the year.

#### B. 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.

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

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *C. COMMITMENTS AND CONTINGENCIES (cont.)*

The city has active construction projects as of December 31, 2015. Work that has been completed on these projects but not yet paid for (including contract retainages) is reflected as accounts payable and expenditures.

The city has open contracts of approximately \$775,000 at December 31, 2015 relating to various projects.

#### ***Long-Term Contracts - WPPI Energy***

The electric utility is one of 51 WPPI Energy member municipalities located throughout the State of Wisconsin. 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.

In 2002, all WPPI Energy members ratified a 13 year extension to their original 35 year contracts. The new contract expires at midnight on December 31, 2037. On March 8, 2016, the city approved a second amendment which extends the contract through December 31, 2055.

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 \$437 million as of December 31, 2015.

# CITY OF RIVER FALLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### *D. JOINT VENTURES*

The City of River Falls and the municipalities of Hudson, New Richmond, Prescott, Baldwin, Ellsworth, Roberts, Spring Valley, Amery, Osceola, and Somerset jointly contract with the West Central Wisconsin Biosolids Facility Commission (facility) for the treatment, storage, disposal, recycling and/or sale of biosolids (sludge). Currently, the communities share in the operation of the facility as follows:

Hudson	39.32%
River Falls	17.65%
New Richmond	8.54%
Prescott	8.48%
Ellsworth	6.35%
Amery	6.03%
Osceola	5.03%
Baldwin	4.29%
Spring Valley	1.90%
Somerset	1.23%
Roberts	1.18%

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, 2015 is available from the facility office.

### *E. OTHER POSTEMPLOYMENT BENEFITS*

The city administers a single-employer defined benefit healthcare plan. The city's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Contribution requirements 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. For fiscal year 2015, total retired member contributions were \$73,884. Administrative cost of the plan are financed by the city.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

### NOTE IV - OTHER INFORMATION (cont.)

#### *E. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The city's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC) The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the city's annual OPEB cost for the year, the amount actually contributed to plan, and changes in the city's net OPEB obligation to the Retiree Health Plan:

Annual required contribution	\$	60,809
Interest on net OPEB obligation		19,552
Adjustment to annual required contribution		<u>(21,599)</u>
Annual OPEB cost		58,762
Contributions made		<u>(28,890)</u>
Increase in net OPEB obligation		29,872
Net OPEB Obligation - Beginning of Year		<u>651,740</u>
Net OPEB Obligation - End of Year	\$	<u><u>681,612</u></u>

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2015 and the two preceding years were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
December 31, 2013	\$ 182,545	51.00	\$ 651,740
December 31, 2014	56,038	47.00	651,740
December 31, 2015	58,762	49.00	681,612

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *E. OTHER POSTEMPLOYMENT BENEFITS* (cont.)

The funded status of the plan as of January 1, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 660,993
Actuarial value of plan assets	<u>-</u>
Unfunded Actuarial Accrued Liability (UAAL)	<u>\$ 660,993</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 5,842,836
UAAL as a percentage of covered payroll	11.31%

The projection of future benefit payments for an ongoing plan involves estimates for the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

## CITY OF RIVER FALLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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### **NOTE IV - OTHER INFORMATION** (cont.)

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#### ***E. OTHER POSTEMPLOYMENT BENEFITS*** (cont.)

The following simplifying assumptions were made:

1. Retirement age for active employees – Wisconsin Retirement System actuarial valuations were used to determine the retirement age for active employees.
2. Marital status – Marital status of members at the calculation date was assumed to continue throughout retirement.
3. Mortality – Life expectancies were based on the SOA RPH-2014 Total Dataset Mortality using Scale MP-2014 for healthy retirees and SOA RPH-2014 Disabled Retiree Mortality using Scale MP-2014 for disabled retirees.
4. Turnover – Wisconsin Retirement System actuarial valuations were used in calculating turnover.
5. Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare & Medicaid Services. A rate of 9% initially, reduced to an ultimate rate of 5% after nine years, was used.
6. Health insurance premiums – 2016 health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.
7. Inflation rate – The expected long-term inflation assumption of 3% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W).
8. Payroll growth rate – The expected long-term payroll growth rate was assumed to be 3.25%.

Based on the historical and expected returns of the city's short-term investment portfolio, a discount rate of 3% was used. In addition, a simplified version of the entry age actuarial cost method was used. The unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on an open basis. The amortization period at December 31, 2015, was 30 years.

#### ***F. SUBSEQUENT EVENTS***

The city council has authorized the sale of \$4,510,000 Sewer System Revenue Bonds. The bond proceeds will be used to help finance the wastewater treatment plant project. Bond proceeds were received by the city on April 13, 2016.

The city council has authorized the sale of \$4,060,000 General Obligation Refunding Bonds. The bond proceeds will be used to refund a portion of the 2009 General Obligation Refunding Bonds. Bond proceeds were received by the city on April 13, 2016.

# CITY OF RIVER FALLS

NOTES TO FINANCIAL STATEMENTS  
As of and for the Year Ended December 31, 2015

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## NOTE IV - OTHER INFORMATION (cont.)

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### **G. 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.

### **H. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS**

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

- > Statement No. 72, *Fair Value Measurement and Application*
- > Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*
- > Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*
- > Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*
- > Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Government*
- > Statement No. 77, *Tax Abatement Disclosures*
- > Statement No. 78, *Pensions Provided Through Certain Multiple-Employer Defined Benefit Pension Plans*
- > Statement No. 79, *Certain External Investment Pools and Pool Participants*
- > Statement No. 80, *Blending Requirements for Certain Component Units*
- > Statement No. 81, *Irrevocable Split-Interest Agreements*
- > Statement No. 82 - *Pension Issues - an amendment of GASB Statements 67, 68, 73*

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

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *I. 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, 2015 is limited to a maximum of \$271,864 in principal plus interest.

#### *J. DEVELOPER AGREEMENTS*

The city entered into a development agreement with Gerrard Corporation in 2010, to construct three multifamily residential buildings within tax increment district #8. The developer agreed to a minimum assessed value of \$1,500,000 for phase I and \$1,500,000 for phase II, in return for a maximum of \$486,000 in increment payments over a 20 year period or the life of tax increment district #8, whichever is longer. The developer was reimbursed \$60,182, \$59,280, \$35,935, and \$29,000 in 2015, 2014, 2013, and 2012, respectively, for the first four year's payments.

The city entered into a development agreement with Erickson's Diversified Corporation in 2011 for redevelopment of property in the downtown area. The agreement included the sale of land for the city's trail system, and a guaranteed increase of \$70,000 in property taxes beginning with taxes payable in 2014, and continuing for 17 years, or the life of tax increment district #9, whichever is shorter. In return, the city will make a monetary obligation of \$686,000 to repay the developer for eligible project costs. The developer was reimbursed \$70,000 in 2015 and \$70,000 in 2014 for the two year's payments.

#### *K. TAX INCREMENTAL FINANCING DISTRICTS*

The city currently maintains separate special revenue and capital projects fund accounts for eight Tax Incremental 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.

# CITY OF RIVER FALLS

## NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended December 31, 2015

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### NOTE IV - OTHER INFORMATION (cont.)

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#### *K. TAX INCREMENTAL FINANCING DISTRICTS (cont.)*

Special revenue and capital project funds are maintained to account for tax increments and other revenues used to finance principal and interest payments on outstanding debt applicable to the districts. 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>Expenditure Deadline</u>	<u>Termination Date</u>
TID No. 4	1988	2010	2016
TID No. 5	1994	2016	2027
TID No. 6	2005	2027	2032
TID No. 7	2009	2024	2029
TID No. 8	2010	2032	2037
TID No. 9	2011	2034	2039
TID No. 10	2014	2029	2034
TID No. 11	2015	2030	2035

**REQUIRED SUPPLEMENTARY INFORMATION**

## CITY OF RIVER FALLS

### SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 3,142,168	\$ 3,142,168	\$ 3,123,052	\$ (19,116)
Special assessments	-	-	16,226	16,226
Intergovernmental	3,146,315	3,167,287	3,212,804	45,517
Licenses and permits	146,000	146,000	171,080	25,080
Fines, forfeitures and penalties	185,000	185,000	192,822	7,822
Public charges for services	231,000	231,000	205,834	(25,166)
Intergovernmental charges for services	15,000	15,000	31,360	16,360
Investment income	275,000	275,000	231,315	(43,685)
Miscellaneous	242,129	242,129	256,462	14,333
<b>Total Revenues</b>	<u>7,382,612</u>	<u>7,403,584</u>	<u>7,440,955</u>	<u>37,371</u>
<b>EXPENDITURES</b>				
Current				
General government	1,792,913	1,792,913	1,591,938	200,975
Public safety	3,496,429	3,496,429	3,303,188	193,241
Public works	2,062,470	2,062,470	1,936,547	125,923
Health services	10,040	10,040	6,508	3,532
Leisure	719,503	719,503	669,216	50,287
Conservation and development	623,398	644,370	577,119	67,251
Debt Service				
Principal retirement	180,550	346,680	368,889	(22,209)
Interest and fiscal charges	14,161	14,161	16,246	(2,085)
<b>Total Expenditures</b>	<u>8,899,464</u>	<u>9,086,566</u>	<u>8,469,651</u>	<u>616,915</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,516,852)</u>	<u>(1,682,982)</u>	<u>(1,028,696)</u>	<u>654,286</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term debt issued	-	166,130	166,130	-
Transfers from other funds	1,686,608	1,686,608	1,703,489	16,881
Transfers to other funds	(419,756)	(419,756)	(419,756)	-
<b>Total Other Financing Sources (Uses)</b>	<u>1,266,852</u>	<u>1,432,982</u>	<u>1,449,863</u>	<u>16,881</u>
<b>Net Change in Fund Balance</b>	(250,000)	(250,000)	421,167	671,167
FUND BALANCE - Beginning of Year	<u>6,682,273</u>	<u>6,682,273</u>	<u>6,682,273</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 6,432,273</u>	<u>\$ 6,432,273</u>	<u>\$ 7,103,440</u>	<u>\$ 671,167</u>

See independent auditors' report and accompanying notes to required supplementary information.

## CITY OF RIVER FALLS

### SCHEDULE OF FUNDING PROGRESS - POST-EMPLOYMENT BENEFITS For the Year Ended December 31, 2015

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Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Projected Unit (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
01/01/15	\$ -	\$ 660,993	\$ 660,993	0%	\$ 5,842,836	11%
01/01/14	-	631,885	631,885	0%	5,658,921	11%
01/01/13	-	2,059,193	2,059,193	0%	5,742,867	36%

See independent auditors' report and accompanying notes to required supplementary information.

**CITY OF RIVER FALLS**

SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF THE NET PENSION ASSET  
 WISCONSIN RETIREMENT SYSTEM (WRS)  
 For the Year Ended December 31, 2015

WRS Fiscal Year End Date (Measurement Date)	City's Proportion of the Net Pension Asset	City's Proportionate Share of the Net Pension Asset	City's Covered Payroll	City's Proportionate Share of the Net Pension Asset as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Asset
12/31/14	0.04828345%	\$ 1,185,974	\$ 6,109,604	19.41%	102.74%

SCHEDULE OF EMPLOYER CONTRIBUTIONS  
 WISCONSIN RETIREMENT SYSTEM (WRS)  
 For the Year Ended December 31, 2015

WRS Fiscal Year End Date (Measurement Date)	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
12/31/15	\$ 462,018	\$ 462,018	\$ -	\$ 6,407,948	7.21%

See accompanying notes to required supplementary information and independent auditors' report.

# CITY OF RIVER FALLS

## NOTES TO REQUIRED SUPPLEMENTARY INFORMATION For the Year Ended December 31, 2015

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### ***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 I. C.

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 that occurred within the fiscal year.

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

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

*Changes of assumptions.* There were no changes in the assumptions.

**SUPPLEMENTARY INFORMATION**

## CITY OF RIVER FALLS

### DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2015

	<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	\$ 3,055,668	\$ 3,055,668	\$ 3,041,883	\$ (13,785)
Mobile home taxes	22,000	22,000	20,303	(1,697)
Payments in lieu of taxes - housing authority	7,500	7,500	1,598	(5,902)
Payment in lieu of taxes - other	57,000	57,000	58,248	1,248
Interest and on taxes	-	-	1,020	1,020
Total Taxes	<u>3,142,168</u>	<u>3,142,168</u>	<u>3,123,052</u>	<u>(19,116)</u>
<b>SPECIAL ASSESSMENTS</b>				
Special assessments	-	-	15,852	15,852
Interest on special assessments	-	-	374	374
Total Special Assessments	<u>-</u>	<u>-</u>	<u>16,226</u>	<u>16,226</u>
<b>INTERGOVERNMENTAL</b>				
Shared revenues from state	1,988,408	1,988,408	1,962,907	(25,501)
Fire insurance from state	34,000	34,000	33,586	(414)
State aid - computers	10,000	10,000	8,824	(1,176)
State aid - police training	4,000	4,000	3,360	(640)
State aid - streets	562,000	562,000	581,468	19,468
State aid - municipal services	210,000	210,000	226,862	16,862
State aid - other public safety	-	20,972	49,004	28,032
School district grant	50,000	50,000	54,636	4,636
Municipal grants	287,907	287,907	292,157	4,250
Total Intergovernmental	<u>3,146,315</u>	<u>3,167,287</u>	<u>3,212,804</u>	<u>45,517</u>
<b>LICENSES AND PERMITS</b>				
Liquor and malt beverage licenses	17,000	17,000	17,681	681
Operators' license	5,000	5,000	6,161	1,161
Cigarette licenses	1,000	1,000	950	(50)
Cable television franchise fees	-	-	88	88
Business and occupational licenses	1,500	1,500	1,569	69
Bicycle licenses	-	-	36	36
Dog licenses	5,000	5,000	3,742	(1,258)
Housing inspection licenses	18,500	18,500	21,850	3,350
Plumbing permits	2,000	2,000	900	(1,100)
Building permits	90,000	90,000	110,609	20,609
Sign permits	2,500	2,500	3,450	950
Zoning permits	3,000	3,000	2,328	(672)
Inspectors red seal	500	500	1,716	1,216
Total Licenses and Permits	<u>146,000</u>	<u>146,000</u>	<u>171,080</u>	<u>25,080</u>

## CITY OF RIVER FALLS

### DETAILED SCHEDULE OF REVENUES AND OTHER FINANCING SOURCES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2015

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
<b>FINES, FORFEITURES AND PENALTIES</b>				
Court penalties and costs	\$ 70,000	\$ 70,000	\$ 54,514	\$ (15,486)
Parking violations	90,000	90,000	107,794	17,794
Restitution and forfeitures	-	-	1,394	1,394
Court costs	<u>25,000</u>	<u>25,000</u>	<u>29,120</u>	<u>4,120</u>
Total Fines, Forfeitures and Penalties	<u>185,000</u>	<u>185,000</u>	<u>192,822</u>	<u>7,822</u>
<b>PUBLIC CHARGES FOR SERVICES</b>				
Clerk's fees	6,500	6,500	9,513	3,013
Zoning administration fees	10,000	10,000	7,775	(2,225)
Publication fees	1,000	1,000	1,290	290
Plat review fees	10,000	10,000	11,045	1,045
Police department fees	16,500	16,500	9,110	(7,390)
Police reserve	2,000	2,000	-	(2,000)
Police towing	12,000	12,000	2,795	(9,205)
Fire department fees	15,000	15,000	17,491	2,491
Fire inspection fees	4,000	4,000	760	(3,240)
Highway maintenance and construction	10,000	10,000	4,343	(5,657)
Weights and measures charges	4,000	4,000	4,740	740
Swimming pool	20,000	20,000	21,350	1,350
Parks	20,000	20,000	24,240	4,240
Other recreation programs	<u>100,000</u>	<u>100,000</u>	<u>91,382</u>	<u>(8,618)</u>
Total Public Charges for Services	<u>231,000</u>	<u>231,000</u>	<u>205,834</u>	<u>(25,166)</u>
<b>INTERGOVERNMENTAL CHARGES FOR SERVICES</b>				
Interdepartmental sales	<u>15,000</u>	<u>15,000</u>	<u>31,360</u>	<u>16,360</u>
<b>INVESTMENT INCOME</b>				
Interest - interfund advances	175,000	175,000	175,000	-
Interest on temporary investments	<u>100,000</u>	<u>100,000</u>	<u>56,315</u>	<u>(43,685)</u>
Total Investment Income	<u>275,000</u>	<u>275,000</u>	<u>231,315</u>	<u>(43,685)</u>
<b>MISCELLANEOUS</b>				
Sale of supplies	1,000	1,000	88	(912)
Rent of municipal buildings	192,445	192,445	199,115	6,670
Donations	-	-	1,900	1,900
Sale of capital assets	15,000	15,000	13,184	(1,816)
Miscellaneous	<u>33,684</u>	<u>33,684</u>	<u>42,175</u>	<u>8,491</u>
Total Miscellaneous	<u>242,129</u>	<u>242,129</u>	<u>256,462</u>	<u>14,333</u>
<b>OTHER FINANCING SOURCES</b>				
Long-term debt issued	-	166,130	166,130	-
Transfers from other funds	<u>1,686,608</u>	<u>1,686,608</u>	<u>1,703,489</u>	<u>16,881</u>
Total Other Financing Sources	<u>1,686,608</u>	<u>1,852,738</u>	<u>1,869,619</u>	<u>16,881</u>
<b>TOTAL REVENUES AND OTHER FINANCING SOURCES</b>				
	<u>\$ 9,069,220</u>	<u>\$ 9,256,322</u>	<u>\$ 9,310,574</u>	<u>\$ 54,252</u>

## CITY OF RIVER FALLS

### DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2015

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>GENERAL GOVERNMENT</b>				
Council	\$ 320,250	\$ 320,250	\$ 221,578	\$ 98,672
Municipal court	133,275	133,275	139,369	(6,094)
City administrator	352,294	352,294	331,700	20,594
Personnel	275,985	275,985	240,409	35,576
Clerk	118,773	118,773	104,572	14,201
Finance	540,336	540,336	503,661	36,675
Legal counseling	<u>52,000</u>	<u>52,000</u>	<u>50,649</u>	<u>1,351</u>
Total General Government	<u>1,792,913</u>	<u>1,792,913</u>	<u>1,591,938</u>	<u>200,975</u>
<b>PUBLIC SAFETY</b>				
Police	2,902,612	2,902,612	2,815,565	87,047
Fire department	<u>593,817</u>	<u>593,817</u>	<u>487,623</u>	<u>106,194</u>
Total Public Safety	<u>3,496,429</u>	<u>3,496,429</u>	<u>3,303,188</u>	<u>193,241</u>
<b>PUBLIC WORKS</b>				
Garage	289,775	289,775	256,236	33,539
Street maintenance	1,536,371	1,536,371	1,446,798	89,573
Motor pool	-	-	596	(596)
Engineer	<u>236,324</u>	<u>236,324</u>	<u>232,917</u>	<u>3,407</u>
Total Public Works	<u>2,062,470</u>	<u>2,062,470</u>	<u>1,936,547</u>	<u>125,923</u>
<b>HEALTH SERVICES</b>				
Health officer	2,000	2,000	2,000	-
Animal control	<u>8,040</u>	<u>8,040</u>	<u>4,508</u>	<u>3,532</u>
Total Health Services	<u>10,040</u>	<u>10,040</u>	<u>6,508</u>	<u>3,532</u>
<b>LEISURE ACTIVITIES</b>				
Recreation	143,703	143,703	131,681	12,022
Swimming	86,937	86,937	72,365	14,572
Parks	<u>488,863</u>	<u>488,863</u>	<u>465,170</u>	<u>23,693</u>
Total Leisure Activities	<u>719,503</u>	<u>719,503</u>	<u>669,216</u>	<u>50,287</u>
<b>CONSERVATION AND DEVELOPMENT</b>				
Forestry	63,424	63,424	49,311	14,113
Community development	<u>559,974</u>	<u>580,946</u>	<u>527,808</u>	<u>53,138</u>
Total Conservation and Development	<u>623,398</u>	<u>644,370</u>	<u>577,119</u>	<u>67,251</u>
<b>DEBT SERVICE</b>				
Principal on notes payable-fire	69,470	183,445	183,445	-
Principal retirement	111,080	163,235	185,444	(22,209)
Interest on notes payable-fire	6,958	6,958	6,958	-
Interest and fiscal charges	7,103	7,103	9,205	(2,102)
Agent fees	<u>100</u>	<u>100</u>	<u>83</u>	<u>17</u>
Total Debt Service	<u>194,711</u>	<u>360,841</u>	<u>385,135</u>	<u>(24,294)</u>

# CITY OF RIVER FALLS

## DETAILED SCHEDULE OF EXPENDITURES AND OTHER FINANCING USES - BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended December 31, 2015

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	<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>\$ 419,756</u>	<u>\$ 419,756</u>	<u>\$ 419,756</u>	<u>\$ -</u>
<b>TOTAL EXPENDITURES AND OTHER FINANCING USES</b>	<u>\$ 9,319,220</u>	<u>\$ 9,506,322</u>	<u>\$ 8,889,407</u>	<u>\$ 616,915</u>

# CITY OF RIVER FALLS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Special Revenue Funds			
	Parking Improvements	Refuse/Solid Waste	Shared Ride Taxi	Media Services
<b>ASSETS</b>				
Cash and investments	\$ 127,705	\$ 294,177	\$ 26,109	\$ 136,585
Receivables				
Taxes	-	-	-	-
Accounts	-	27,622	4,304	33,344
Customer	-	-	-	-
Interest	-	-	-	-
Notes	-	-	-	-
Inventories and prepayments	-	32	-	-
Due from other funds	-	-	-	-
Due from other governmental units	-	455	55,822	-
Advances to other funds	-	-	-	-
	<u>127,705</u>	<u>322,286</u>	<u>86,235</u>	<u>169,929</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 127,705</u></b>	<b><u>\$ 322,286</u></b>	<b><u>\$ 86,235</u></b>	<b><u>\$ 169,929</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ 1,014	\$ 19,129	\$ 18,947	\$ 1,168
Accrued liabilities	-	-	-	998
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	-
Advances from other funds	-	-	-	-
Total Liabilities	<u>1,014</u>	<u>19,129</u>	<u>18,947</u>	<u>2,166</u>
Deferred Inflows of Resources				
Unearned revenue	-	-	-	-
Unavailable revenues	-	455	58,072	-
Total Deferred Inflows of Resources	<u>-</u>	<u>455</u>	<u>58,072</u>	<u>-</u>
Fund Balances				
Nonspendable	-	32	-	-
Restricted	126,691	302,670	9,216	-
Committed	-	-	-	167,763
Unassigned (deficit)	-	-	-	-
Total Fund Balances	<u>126,691</u>	<u>302,702</u>	<u>9,216</u>	<u>167,763</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 127,705</u></b>	<b><u>\$ 322,286</u></b>	<b><u>\$ 86,235</u></b>	<b><u>\$ 169,929</u></b>

Special Revenue Funds

Environmental Fee	Park Acquisition Fund	Tax Increment District #4	Tax Increment District #5	Tax Increment District #6	Tax Increment District #7	Tax Increment District #8
\$ 1,138,340	\$ 792	\$ 9,160	\$ 18,602	\$ -	\$ -	\$ -
-	-	308,978	462,458	168,396	-	67,226
9,282	-	-	-	-	-	-
-	-	-	-	-	95,012	-
2,724	-	-	-	-	-	-
-	-	-	111,257	-	-	-
-	-	-	-	-	524	-
700,000	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>1,000,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 2,850,346</u>	<u>\$ 792</u>	<u>\$ 318,138</u>	<u>\$ 592,317</u>	<u>\$ 168,396</u>	<u>\$ 95,536</u>	<u>\$ 67,226</u>
\$ 648	\$ -	\$ -	\$ 13,662	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	4,690	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	235,462	883,929	507,093	108,875
<u>648</u>	<u>-</u>	<u>-</u>	<u>249,124</u>	<u>883,929</u>	<u>511,783</u>	<u>108,875</u>
-	-	308,978	462,458	168,396	-	67,226
-	-	-	111,257	-	-	-
-	-	<u>308,978</u>	<u>573,715</u>	<u>168,396</u>	-	<u>67,226</u>
-	-	-	-	-	524	-
2,849,698	-	9,160	-	-	-	-
-	792	-	-	-	-	-
-	-	-	(230,522)	(883,929)	(416,771)	(108,875)
<u>2,849,698</u>	<u>792</u>	<u>9,160</u>	<u>(230,522)</u>	<u>(883,929)</u>	<u>(416,247)</u>	<u>(108,875)</u>
<u>\$ 2,850,346</u>	<u>\$ 792</u>	<u>\$ 318,138</u>	<u>\$ 592,317</u>	<u>\$ 168,396</u>	<u>\$ 95,536</u>	<u>\$ 67,226</u>

# CITY OF RIVER FALLS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Special Revenue Funds			
	Tax Increment District #9	Tax Increment District #10	Tax Increment District #11	Library
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 957	\$ 10,326	\$ 74,045
Receivables				
Taxes	70,835	5,282	-	830,419
Accounts	-	-	-	165
Customer	-	-	-	-
Interest	-	-	-	-
Notes	-	-	-	-
Inventories and prepayments	-	-	-	13,081
Due from other funds	-	-	-	-
Due from other governmental units	-	-	-	-
Advances to other funds	-	-	-	-
	-	-	-	-
<b>TOTAL ASSETS</b>	<b><u>\$ 70,835</u></b>	<b><u>\$ 6,239</u></b>	<b><u>\$ 10,326</u></b>	<b><u>\$ 917,710</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>				
Liabilities				
Accounts payable	\$ -	\$ 34,802	\$ 10,000	\$ 18,967
Accrued liabilities	-	-	-	19,014
Deposits	-	-	-	-
Due to other funds	-	-	-	-
Due to other governments	-	-	-	42
Advances from other funds	268,318	519,442	15,000	-
Total Liabilities	<u>268,318</u>	<u>554,244</u>	<u>25,000</u>	<u>38,023</u>
Deferred Inflows of Resources				
Unearned revenue	70,835	5,282	-	830,419
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	<u>70,835</u>	<u>5,282</u>	<u>-</u>	<u>830,419</u>
Fund Balances				
Nonspendable	-	-	-	13,081
Restricted	-	-	-	36,187
Committed	-	-	-	-
Unassigned (deficit)	(268,318)	(553,287)	(14,674)	-
Total Fund Balances	<u>(268,318)</u>	<u>(553,287)</u>	<u>(14,674)</u>	<u>49,268</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 70,835</u></b>	<b><u>\$ 6,239</u></b>	<b><u>\$ 10,326</u></b>	<b><u>\$ 917,710</u></b>

Special Revenue Funds

Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve	Library Trust Fund	Tourism and Economic Development
\$ 1,847	\$ 82,735	\$ 4,155	\$ 149,420	\$ 243,192	\$ 152,091	\$ 233,593
-	-	-	-	-	-	2,500
-	-	-	-	22,224	-	26,443
-	-	-	-	-	-	-
106,963	-	-	-	377,118	-	-
-	-	-	-	-	-	140
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 108,810</u>	<u>\$ 82,735</u>	<u>\$ 4,155</u>	<u>\$ 149,420</u>	<u>\$ 642,534</u>	<u>\$ 152,091</u>	<u>\$ 262,676</u>
\$ -	\$ -	\$ 436	\$ -	\$ -	\$ -	\$ 18,294
-	-	-	-	-	-	-
-	-	-	-	-	-	-
22,180	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	1,000,000
<u>22,180</u>	<u>-</u>	<u>436</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,018,294</u>
-	-	-	-	-	-	2,500
<u>106,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,118</u>	<u>-</u>	<u>-</u>
<u>106,963</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>377,118</u>	<u>-</u>	<u>2,500</u>
-	-	-	-	-	-	140
-	82,735	3,719	149,420	265,416	152,091	-
-	-	-	-	-	-	-
<u>(20,333)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(758,258)</u>
<u>(20,333)</u>	<u>82,735</u>	<u>3,719</u>	<u>149,420</u>	<u>265,416</u>	<u>152,091</u>	<u>(758,118)</u>
<u>\$ 108,810</u>	<u>\$ 82,735</u>	<u>\$ 4,155</u>	<u>\$ 149,420</u>	<u>\$ 642,534</u>	<u>\$ 152,091</u>	<u>\$ 262,676</u>

# CITY OF RIVER FALLS

## COMBINING BALANCE SHEET NONMAJOR GOVERNMENTAL FUNDS As of December 31, 2015

	Debt Service Funds	Capital Projects Fund	
	Debt Service Notes	Capital Equipment	Total Nonmajor Governmental Funds
<b>ASSETS</b>			
Cash and investments	\$ 7,263	\$ 91,192	\$ 2,802,286
Receivables			
Taxes	796,938	118,405	2,831,437
Accounts	-	-	123,384
Customer	-	-	95,012
Interest	-	-	2,724
Notes	-	-	595,338
Inventories and prepayments	-	-	13,777
Due from other funds	-	-	700,000
Due from other governmental units	-	-	56,277
Advances to other funds	-	-	1,000,000
	<u>\$ 804,201</u>	<u>\$ 209,597</u>	<u>\$ 8,220,235</u>
<b>TOTAL ASSETS</b>			
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			
Liabilities			
Accounts payable	\$ -	\$ -	\$ 137,067
Accrued liabilities	-	-	20,012
Deposits	-	-	4,690
Due to other funds	71	-	22,251
Due to other governments	-	-	42
Advances from other funds	-	-	3,538,119
Total Liabilities	<u>71</u>	<u>-</u>	<u>3,722,181</u>
Deferred Inflows of Resources			
Unearned revenue	796,938	118,405	2,831,437
Unavailable revenues	-	-	653,865
Total Deferred Inflows of Resources	<u>796,938</u>	<u>118,405</u>	<u>3,485,302</u>
Fund Balances			
Nonspendable	-	-	13,777
Restricted	7,192	-	3,994,195
Committed	-	91,192	259,747
Unassigned (deficit)	-	-	(3,254,967)
Total Fund Balances	<u>7,192</u>	<u>91,192</u>	<u>1,012,752</u>
	<u>\$ 804,201</u>	<u>\$ 209,597</u>	<u>\$ 8,220,235</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>			

# CITY OF RIVER FALLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds		
	Parking Improvements	Refuse/Solid Waste	Shared Ride Taxi
<b>REVENUES</b>			
Taxes	\$ -	\$ -	\$ -
Special assessments	-	-	-
Intergovernmental	-	-	199,923
Public charges for services	-	71,061	1,211
Investment income	-	18	14
Miscellaneous	-	-	1,770
Total Revenues	-	71,079	202,918
<b>EXPENDITURES</b>			
Current			
Public safety	4,314	-	-
Public works	-	33,662	186,071
Leisure	-	-	-
Conservation and development	-	-	-
Capital Outlay	-	-	33,500
Debt Service			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total Expenditures	4,314	33,662	219,571
Excess (deficiency) of revenues over expenditures	(4,314)	37,417	(16,653)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	-	-
Transfers from other funds	-	-	16,712
Transfers to other funds	(2,056)	(36,428)	(5,000)
Total Other Financing Sources (Uses)	(2,056)	(36,428)	11,712
<b>Net Change in Fund Balances</b>	(6,370)	989	(4,941)
FUND BALANCES (DEFICIT) -			
Beginning of Year	133,061	301,713	14,157
<b>FUND BALANCES (DEFICIT) -     END OF YEAR</b>	\$ 126,691	\$ 302,702	\$ 9,216

Special Revenue Funds

Media Services	Environ- mental Fee	Park Acquisition Fund	Tax Increment District #4	Tax Increment District #5	Tax Increment District #6	Tax Increment District #7
\$ -	\$ -	\$ -	\$ 223,717	\$ 453,188	\$ 154,374	\$ -
-	-	-	-	-	-	-
-	-	-	2,450	20,426	81	-
128,395	80,354	-	-	-	-	-
76	9,302	7	-	5,240	-	-
1,380	-	-	-	25,216	-	50,743
<u>129,851</u>	<u>89,656</u>	<u>7</u>	<u>226,167</u>	<u>504,070</u>	<u>154,455</u>	<u>50,743</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
188,827	-	-	-	-	-	-
-	29,892	-	1,995	6,135	962	21,431
-	-	-	-	292,048	-	-
-	-	-	-	170,280	120,000	-
-	-	-	175,000	60,096	47,018	-
<u>188,827</u>	<u>29,892</u>	<u>-</u>	<u>176,995</u>	<u>528,559</u>	<u>167,980</u>	<u>21,431</u>
<u>(58,976)</u>	<u>59,764</u>	<u>7</u>	<u>49,172</u>	<u>(24,489)</u>	<u>(13,525)</u>	<u>29,312</u>
-	-	-	-	-	-	-
15,000	-	-	-	20,000	-	-
(49,759)	(5,338)	-	(66,179)	(89,781)	(28,245)	(11,538)
<u>(34,759)</u>	<u>(5,338)</u>	<u>-</u>	<u>(66,179)</u>	<u>(69,781)</u>	<u>(28,245)</u>	<u>(11,538)</u>
(93,735)	54,426	7	(17,007)	(94,270)	(41,770)	17,774
<u>261,498</u>	<u>2,795,272</u>	<u>785</u>	<u>26,167</u>	<u>(136,252)</u>	<u>(842,159)</u>	<u>(434,021)</u>
<u>\$ 167,763</u>	<u>\$ 2,849,698</u>	<u>\$ 792</u>	<u>\$ 9,160</u>	<u>\$ (230,522)</u>	<u>\$ (883,929)</u>	<u>\$ (416,247)</u>

# CITY OF RIVER FALLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds		
	Tax Increment District #8	Tax Increment District #9	Tax Increment District #10
<b>REVENUES</b>			
Taxes	\$ 60,182	\$ 58,712	\$ -
Special assessments	-	-	-
Intergovernmental	-	697	-
Public charges for services	-	-	-
Investment income	-	67	70
Miscellaneous	-	16,357	11,664
Total Revenues	60,182	75,833	11,734
<b>EXPENDITURES</b>			
Current			
Public safety	-	-	-
Public works	-	-	-
Leisure	-	-	-
Conservation and development	60,927	70,779	61,373
Capital Outlay	-	-	362,305
Debt Service			
Principal retirement	-	35,000	-
Interest and fiscal charges	-	4,630	136,859
Total Expenditures	60,927	110,409	560,537
Excess (deficiency) of revenues over expenditures	(745)	(34,576)	(548,803)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	-	-
Transfers from other funds	-	-	-
Transfers to other funds	(88,519)	(11,042)	(5,521)
Total Other Financing Sources (Uses)	(88,519)	(11,042)	(5,521)
<b>Net Change in Fund Balances</b>	(89,264)	(45,618)	(554,324)
FUND BALANCES (DEFICIT) -			
Beginning of Year	(19,611)	(222,700)	1,037
<b>FUND BALANCES (DEFICIT) -     END OF YEAR</b>	\$ (108,875)	\$ (268,318)	\$ (553,287)

Special Revenue Funds

Tax Increment District #11	Library	Commercial Revolving Loan Fund	Park Impact Fees	Library Impact Fees	Fire Impact Fees	Housing Reserve
\$ -	\$ 815,983	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	332,541	-	-	-	-	-
-	42,818	-	25,095	15,419	14,589	-
-	-	4,644	129	155	168	273
-	<u>22,695</u>	<u>7,203</u>	-	-	-	<u>68,652</u>
-	<u>1,214,037</u>	<u>11,847</u>	<u>25,224</u>	<u>15,574</u>	<u>14,757</u>	<u>68,925</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	1,162,515	-	-	181	-	-
11,674	-	-	-	-	-	-
3,000	-	-	-	78,473	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>14,674</u>	<u>1,162,515</u>	<u>-</u>	<u>-</u>	<u>78,654</u>	<u>-</u>	<u>-</u>
<u>(14,674)</u>	<u>51,522</u>	<u>11,847</u>	<u>25,224</u>	<u>(63,080)</u>	<u>14,757</u>	<u>68,925</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	(126,486)	(5,141)	(1,833)	(700)	(27,551)	(12,962)
-	(126,486)	(5,141)	(1,833)	(700)	(27,551)	(12,962)
(14,674)	(74,964)	6,706	23,391	(63,780)	(12,794)	55,963
-	<u>124,232</u>	<u>(27,039)</u>	<u>59,344</u>	<u>67,499</u>	<u>162,214</u>	<u>209,453</u>
<u>\$ (14,674)</u>	<u>\$ 49,268</u>	<u>\$ (20,333)</u>	<u>\$ 82,735</u>	<u>\$ 3,719</u>	<u>\$ 149,420</u>	<u>\$ 265,416</u>

# CITY OF RIVER FALLS

## COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES NONMAJOR GOVERNMENTAL FUNDS For the Year Ended December 31, 2015

	Special Revenue Funds		Debt Service
	Library Trust Fund	Tourism and Economic Development	Debt Service Notes
<b>REVENUES</b>			
Taxes	\$ -	\$ 114,940	\$ 624,961
Special assessments	-	2,500	-
Intergovernmental	-	-	-
Public charges for services	-	-	-
Investment income	303	143	181
Miscellaneous	47,197	63,608	-
Total Revenues	47,500	181,191	625,142
<b>EXPENDITURES</b>			
Current			
Public safety	-	-	-
Public works	-	-	-
Leisure	10,428	-	-
Conservation and development	-	106,440	-
Capital Outlay	-	1,008	-
Debt Service			
Principal retirement	-	-	747,610
Interest and fiscal charges	-	-	251,811
Total Expenditures	10,428	107,448	999,421
Excess (deficiency) of revenues over expenditures	37,072	73,743	(374,279)
<b>OTHER FINANCING SOURCES (USES)</b>			
Long-term debt issued	-	-	358,870
Transfers from other funds	-	26,000	26,850
Transfers to other funds	(867)	(48,675)	(12,650)
Total Other Financing Sources (Uses)	(867)	(22,675)	373,070
<b>Net Change in Fund Balances</b>	36,205	51,068	(1,209)
FUND BALANCES (DEFICIT) -			
Beginning of Year	115,886	(809,186)	8,401
<b>FUND BALANCES (DEFICIT) -     END OF YEAR</b>	\$ 152,091	\$ (758,118)	\$ 7,192

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<u>Capital Projects</u>		Total Nonmajor Governmental Funds
<u>Capital Equipment</u>		<u>Funds</u>
\$ 195,905	\$	2,701,962
-		2,500
-		556,118
-		378,942
230		21,020
-		<u>316,485</u>
<u>196,135</u>		<u>3,977,027</u>
-		4,314
-		219,733
-		1,361,951
-		371,608
1,047,028		1,817,362
-		1,072,890
-		<u>675,414</u>
<u>1,047,028</u>		<u>5,523,272</u>
<u>(850,893)</u>		<u>(1,546,245)</u>
575,000		933,870
-		104,562
<u>(23,905)</u>		<u>(660,176)</u>
<u>551,095</u>		<u>378,256</u>
(299,798)		(1,167,989)
<u>390,990</u>		<u>2,180,741</u>
<u>\$ 91,192</u>	<u>\$</u>	<u>1,012,752</u>

# CITY OF RIVER FALLS

## COMBINING STATEMENT OF NET POSITION NONMAJOR ENTERPRISE FUNDS As of December 31, 2015

	Stormwater	Ambulance	Total Nonmajor Enterprise Funds
<b>ASSETS</b>			
Current Assets			
Cash and investments	\$ 196,207	\$ 909,164	\$ 1,105,371
Receivables			
Accounts	51,297	403,353	454,650
Prepaid items	3,818	19,566	23,384
Total Current Assets	251,322	1,332,083	1,583,405
Noncurrent Assets			
Net pension asset	18,969	54,220	73,189
Capital Assets			
Land	-	101,298	101,298
Property and equipment	7,658,482	1,695,129	9,353,611
Less: Accumulated depreciation	(1,782,678)	(977,961)	(2,760,639)
Total Noncurrent Assets	5,894,773	872,686	6,767,459
Total Assets	6,146,095	2,204,769	8,350,864
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related amounts	16,376	56,945	73,321
Total Deferred Outflows of Resources	16,376	56,945	73,321
<b>LIABILITIES</b>			
Current Liabilities			
Accounts payable	578	7,077	7,655
Customer deposits	30,000	-	30,000
Accrued liabilities	3,152	28,184	31,336
Accrued interest	239	-	239
Current portion of general obligation debt	108,278	-	108,278
Current portion of compensated absences	-	14,694	14,694
Total Current Liabilities	142,247	49,955	192,202
Noncurrent Liabilities			
Long-Term Debt			
General obligation debt	74,760	-	74,760
Compensated absences	-	16,069	16,069
Other post-employment benefits	-	15,417	15,417
Total Noncurrent Liabilities	74,760	31,486	106,246
<b>NET POSITION</b>			
Net investment in capital assets	5,692,766	818,466	6,511,232
Restricted for pension	18,969	54,220	73,189
Unrestricted	233,729	1,307,587	1,541,316
<b>TOTAL NET POSITION</b>	<b>\$ 5,945,464</b>	<b>\$ 2,180,273</b>	<b>\$ 8,125,737</b>

## CITY OF RIVER FALLS

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2015

	<u>Stormwater</u>	<u>Ambulance</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>OPERATING REVENUES</b>			
Public charges for services	\$ 523,070	\$ 1,629,157	\$ 2,152,227
Total Operating Revenues	<u>523,070</u>	<u>1,629,157</u>	<u>2,152,227</u>
<b>OPERATING EXPENSES</b>			
Operation and maintenance	355,749	1,051,805	1,407,554
Depreciation	154,389	108,686	263,075
Total Operating Expenses	<u>510,138</u>	<u>1,160,491</u>	<u>1,670,629</u>
Operating Income	<u>12,932</u>	<u>468,666</u>	<u>481,598</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Intergovernmental	-	7,149	7,149
Investment income	241	203	444
Interest and fiscal charges	(5,749)	-	(5,749)
Miscellaneous	-	1,908	1,908
Total Nonoperating Revenues (Expenses)	<u>(5,508)</u>	<u>9,260</u>	<u>3,752</u>
Net Income Before Contributions and Transfers	<u>7,424</u>	<u>477,926</u>	<u>485,350</u>
<b>CONTRIBUTIONS AND TRANSFERS</b>			
Capital contributions	-	40,750	40,750
Transfers from other funds	5,000	75,200	80,200
Transfers to other funds	(43,323)	(113,459)	(156,782)
Total Contributions and Transfers	<u>(38,323)</u>	<u>2,491</u>	<u>(35,832)</u>
<b>Change in Net Position</b>	(30,899)	480,417	449,518
NET POSITION - Beginning of Year (as restated)	<u>5,976,363</u>	<u>1,699,856</u>	<u>7,676,219</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 5,945,464</u>	<u>\$ 2,180,273</u>	<u>\$ 8,125,737</u>

## CITY OF RIVER FALLS

### COMBINING STATEMENT OF CASH FLOWS NONMAJOR ENTERPRISE FUNDS For the Year Ended December 31, 2015

	Stormwater	Ambulance	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Received from customers	\$ 523,654	\$ 1,225,804	\$ 1,749,458
Customer deposits returned	(15,000)	-	(15,000)
Paid to suppliers for goods and services	(255,215)	(441,093)	(696,308)
Paid to employees for services	(107,863)	(602,799)	(710,662)
Net Cash Flows From Operating Activities	145,576	181,912	327,488
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Investment income	241	203	444
Net Cash Flows From Investing Activities	241	203	444
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Miscellaneous revenue	-	9,057	9,057
Transfers to/from other funds	(38,323)	(38,259)	(76,582)
Advance to/from other funds	-	100,000	100,000
Net Cash Flows From Noncapital Financing Activities	(38,323)	70,798	32,475
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Debt retired	(105,950)	-	(105,950)
Interest paid	(5,894)	-	(5,894)
Acquisition and construction of capital assets	(3,438)	(309,319)	(312,757)
Net Cash Flows From Capital and Related Financing Activities	(115,282)	(309,319)	(424,601)
<b>Net Change in Cash and Cash Equivalents</b>	(7,788)	(56,406)	(64,194)
CASH AND CASH EQUIVALENTS - Beginning of Year	203,995	965,570	1,169,565
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 196,207</b>	<b>\$ 909,164</b>	<b>\$ 1,105,371</b>
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 12,932	\$ 468,666	\$ 481,598
Adjustments to Reconcile Operating Income to Net Cash Flows From Operating Activities			
Depreciation	154,389	108,686	263,075
Changes in assets and liabilities			
Accounts receivable	584	(403,353)	(402,769)
Prepaid items	(913)	1,143	230
Accounts payable	(10,154)	(2,830)	(12,984)
Other current liabilities	650	7,911	8,561
Customer deposits	(15,000)	-	(15,000)
Compensated absences	-	2,996	2,996
Pension related deferrals and asset	3,088	(1,307)	1,781
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>\$ 145,576</b>	<b>\$ 181,912</b>	<b>\$ 327,488</b>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Contribution of equipment from City of Prescott	-	40,750	

## CITY OF RIVER FALLS

### COMBINING STATEMENT OF NET POSITION INTERNAL SERVICE FUNDS As of December 31, 2015

	City Hall	Motor Pool	Technology	Totals
<b>ASSETS</b>				
Current Assets				
Cash and investments	\$ 55,977	\$ 6,638	\$ 5,136	\$ 67,751
Prepaid items	5,808	1,451	13,700	20,959
Total Current Assets	61,785	8,089	18,836	88,710
Noncurrent Assets				
Net pension asset	11,301	-	-	11,301
Capital assets				
Property and equipment	-	78,292	429,178	507,470
Less: Accumulated depreciation	-	(30,051)	(104,104)	(134,155)
Total Noncurrent Assets	11,301	48,241	325,074	384,616
Total Assets	73,086	56,330	343,910	473,326
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension related amounts	10,084	-	6,871	16,955
Total Deferred Outflows of Resources	10,084	-	6,871	16,955
<b>LIABILITIES</b>				
Current Liabilities				
Accounts payable	9,475	237	8,943	18,655
Accrued liabilities	2,194	-	2,740	4,934
Due to other funds	-	-	244,091	244,091
Current portion of lease payable	-	12,021	-	12,021
Total Current Liabilities	11,669	12,258	255,774	279,701
Noncurrent Liabilities				
Lease payable	-	35,147	-	35,147
Total Noncurrent Liabilities	-	35,147	-	35,147
Total Liabilities	11,669	47,405	255,774	314,848
<b>NET POSITION</b>				
Net investment in capital assets	-	1,073	325,074	326,147
Restricted for pension	11,301	-	-	11,301
Unrestricted (deficit)	60,200	7,852	(230,067)	(162,015)
<b>TOTAL NET POSITION</b>	\$ 71,501	\$ 8,925	\$ 95,007	\$ 175,433

## CITY OF RIVER FALLS

### COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION INTERNAL SERVICE FUNDS For the Year Ended December 31, 2015

	City Hall	Motor Pool	Technology	Totals
<b>OPERATING REVENUES</b>				
Public charges for services	\$ 42,218	\$ -	\$ -	\$ 42,218
Total Operating Revenues	<u>42,218</u>	<u>-</u>	<u>-</u>	<u>42,218</u>
<b>OPERATING EXPENSES</b>				
Operation and maintenance	214,275	9,066	284,305	507,646
Depreciation expense	-	12,021	48,914	60,935
Total Operating Expenses	<u>214,275</u>	<u>21,087</u>	<u>333,219</u>	<u>568,581</u>
Operating Loss	<u>(172,057)</u>	<u>(21,087)</u>	<u>(333,219)</u>	<u>(526,363)</u>
<b>NONOPERATING REVENUES</b>				
Investment income	130	54	70	254
Total Nonoperating Revenues	<u>130</u>	<u>54</u>	<u>70</u>	<u>254</u>
Income (Loss) Before Transfers	<u>(171,927)</u>	<u>(21,033)</u>	<u>(333,149)</u>	<u>(526,109)</u>
<b>TRANSFERS</b>				
Transfers from other funds	175,410	25,281	394,222	594,913
Transfers to other funds	(21,259)	(699)	(12,048)	(34,006)
Total Transfers	<u>154,151</u>	<u>24,582</u>	<u>382,174</u>	<u>560,907</u>
Change in net position	<u>(17,776)</u>	<u>3,549</u>	<u>49,025</u>	<u>34,798</u>
NET POSITION - Beginning of Year (as restated)	<u>89,277</u>	<u>5,376</u>	<u>45,982</u>	<u>140,635</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 71,501</u>	<u>\$ 8,925</u>	<u>\$ 95,007</u>	<u>\$ 175,433</u>

**CITY OF RIVER FALLS**

COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
For the Year Ended December 31, 2015

	<u>City Hall</u>	<u>Motor Pool</u>	<u>Technology</u>	<u>Totals</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Received from customers	\$ 42,218	\$ -	\$ -	\$ 42,218
Paid to suppliers for goods and services	(148,938)	(8,731)	(257,805)	(415,474)
Paid to employees for services	<u>(64,969)</u>	<u>-</u>	<u>(71,320)</u>	<u>(136,289)</u>
Net Cash Flows From Operating Activities	<u>(171,689)</u>	<u>(8,731)</u>	<u>(329,125)</u>	<u>(509,545)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Investment income	<u>130</u>	<u>54</u>	<u>70</u>	<u>254</u>
Net Cash Flows From Investing Activities	<u>130</u>	<u>54</u>	<u>70</u>	<u>254</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers to/from other funds	<u>154,151</u>	<u>24,582</u>	<u>382,174</u>	<u>560,907</u>
Net Cash Flows From Noncapital Financing Activities	<u>154,151</u>	<u>24,582</u>	<u>382,174</u>	<u>560,907</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Debt retired	-	(12,346)	-	(12,346)
Acquisition and construction of capital assets	<u>-</u>	<u>-</u>	<u>(82,681)</u>	<u>(82,681)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>-</u>	<u>(12,346)</u>	<u>(82,681)</u>	<u>(95,027)</u>
<b>Net Change in Cash and Cash Equivalents</b>	(17,408)	3,559	(29,562)	(43,411)
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>73,385</u>	<u>3,079</u>	<u>34,698</u>	<u>111,162</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 55,977</u>	<u>\$ 6,638</u>	<u>\$ 5,136</u>	<u>\$ 67,751</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (172,057)	\$ (21,087)	\$ (333,219)	\$ (526,363)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	-	12,021	48,914	60,935
Changes in assets and liabilities				
Prepaid items	1,934	251	(3,013)	(828)
Accounts payable	(3,042)	84	1,675	(1,283)
Due to other funds	-	-	(39,351)	(39,351)
Other current liabilities	(37)	-	2,740	2,703
Pension related deferrals and asset	<u>1,513</u>	<u>-</u>	<u>(6,871)</u>	<u>(5,358)</u>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<u>\$ (171,689)</u>	<u>\$ (8,731)</u>	<u>\$ (329,125)</u>	<u>\$ (509,545)</u>
<b>NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
None				

**CITY OF RIVER FALLS**

BALANCE SHEET  
GOVERNMENTAL COMPONENT UNIT  
As of December 31, 2015

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	Business Improvement District
<b>ASSETS</b>	
Cash and investments	\$ 20,272
Special assessments	<u>42,000</u>
 TOTAL ASSETS	 <u><u>\$ 62,272</u></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>20,272</u>
 TOTAL DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	 <u><u>\$ 62,272</u></u>
 <b>RECONCILIATION OF FUND BALANCE TO NET POSITION</b>	
Fund balance at year end	\$ 20,272
 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>
 <b>NET POSITION AT YEAR END</b>	 <u><u>\$ 62,272</u></u>

# CITY OF RIVER FALLS

## STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL COMPONENT UNIT For the Year Ended December 31, 2015

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	Business Improvement District
<b>REVENUES</b>	
Special assessments	\$ 42,178
Total Revenues	<u>42,178</u>
<b>EXPENDITURES</b>	
Conservation and development	<u>42,277</u>
Total Expenditures	<u>42,277</u>
Change in fund balance	(99)
FUND BALANCE - Beginning of Year	<u>20,371</u>
FUND BALANCE - END OF YEAR	<u>\$ 20,272</u>
 <b>RECONCILIATION OF CHANGE IN FUND BALANCE TO CHANGE IN NET POSITION</b>	
Change in fund balance	\$ (99)
Special assessments not currently available are reported as revenue when collected or currently available in the fund financial statements but are recognized as revenue when earned in the government-wide financial statements.	<u>(178)</u>
<b>CHANGE IN NET POSITION</b>	<u>\$ (277)</u>

# CITY OF RIVER FALLS

## ELECTRIC UTILITY PLANT

As of and for the Year Ended December 31, 2015

	Balance 1/1/2015	Additions	Retirements	Balance 12/31/2015
<b>HYDRAULIC PRODUCTION</b>				
Land and Land Rights	\$ 15,310	\$ -	\$ -	\$ 15,310
Structures and Improvements	43,697	-	-	43,697
Reservoirs, Dams and Waterways	850,101	-	-	850,101
Water Wheels, Turbines, and Generators	27,976	-	-	27,976
Accessory Electric Equipment	7,657	-	-	7,657
Miscellaneous Power Equipment	2,748	-	-	2,748
Total Hydraulic	947,489	-	-	947,489
<b>OTHER PRODUCTION</b>				
Land and Land Rights	25,248	-	-	25,248
Structures and Improvements	1,224,829	-	-	1,224,829
Generators	36,000	-	-	36,000
Total Production	1,286,077	-	-	1,286,077
<b>TRANSMISSION</b>				
Land and Land Rights	2,302	-	-	2,302
Station Equipment	526,199	-	-	526,199
Poles and Fixtures	332,790	-	-	332,790
Overhead Conductors and Devices	677,173	-	-	677,173
Total Transmission	1,538,464	-	-	1,538,464
<b>DISTRIBUTION</b>				
Land and Land Rights	62,711	-	-	62,711
Structures and Improvements	564,653	-	-	564,653
Station Equipment	2,240,675	-	-	2,240,675
Storage Battery Equipment	7,328	-	-	7,328
Poles, Towers, and Fixtures	1,729,915	38,655	4,300	1,764,270
Overhead Conductors	1,699,947	17,469	31,582	1,685,834
Underground Conduit	542,351	34,101	17,060	559,392
Underground Conductors	4,907,804	571,754	72,981	5,406,577
Transformers	2,218,263	210,753	20,271	2,408,745
Services	1,258,986	46,292	3,347	1,301,931
Meters	984,902	50,165	4,365	1,030,702
Street Lighting and Signal Systems	1,350,485	68,546	65,565	1,353,466
Total Distribution	17,568,020	1,037,735	219,471	18,386,284

## CITY OF RIVER FALLS

ELECTRIC UTILITY PLANT (cont.)  
As of and for the Year Ended December 31, 2015

	Balance 1/1/2015	Additions	Retirements	Balance 12/31/2015
<b>GENERAL</b>				
Land and Land Rights	\$ 1,556	\$ -	\$ -	\$ 1,556
Structures and Improvements	697,555	-	-	697,555
Office Furniture and Equipment	83,407	-	39,020	44,387
Computer Equipment	110,855	10,313	3,778	117,390
Transportation Equipment	794,073	232,688	138,738	888,023
Tools, Shop, and Garage Equipment	112,346	-	-	112,346
Laboratory Equipment	135,479	-	-	135,479
Power Operated Equipment	26,138	18,362	-	44,500
Communication Equipment	22,965	-	-	22,965
SCADA Equipment	76,585	-	-	76,585
Total General	<u>2,060,959</u>	<u>261,363</u>	<u>181,536</u>	<u>2,140,786</u>
TOTAL ELECTRIC UTILITY PLANT	<u>\$ 23,401,009</u>	<u>\$ 1,299,098</u>	<u>\$ 401,007</u>	<u>\$ 24,299,100</u>

## CITY OF RIVER FALLS

### ELECTRIC UTILITY OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2015 and 2014

<b>OPERATING REVENUES</b>	<u>2015</u>	<u>2014</u>
Sales of Electricity		
Residential and Rural	\$ 5,486,027	\$ 5,494,047
Small Commercial and Industrial	1,418,769	1,409,506
Large Commercial and Industrial	3,686,669	3,610,878
Public Street and Lighting	229,328	238,435
Other Sales to Public Authorities	2,466,184	2,517,870
Sales for Resale	-	309
Total Sales of Electricity	<u>13,286,977</u>	<u>13,271,045</u>
Other Operating Revenues		
Forfeited Discounts	48,259	50,813
Miscellaneous Service Revenues	13,758	9,886
Rent from Electric Property	47,296	42,364
Other Miscellaneous Revenues	<u>266,791</u>	<u>278,027</u>
Total Operating Revenues	<u>13,663,081</u>	<u>13,652,135</u>
 <b>OPERATING EXPENSES</b>		
Power Production		
Hydraulic Power Generation		
Operation		
Operating and Supervision	33,760	24,904
Hydraulic	31,067	10,197
Electric	-	270
Miscellaneous	7,901	16,534
Maintenance		
Structures	-	553
Reservoirs, Dams, and Waterways	1,510	1,675
Electric Plant	-	366
Miscellaneous	<u>510</u>	<u>1,591</u>
Total Hydraulic Power Generation	<u>74,748</u>	<u>56,090</u>
Purchased Power	<u>9,696,357</u>	<u>9,863,388</u>
Total Power Production	<u>9,771,105</u>	<u>9,919,478</u>
Transmission		
Operation		
Station	1,464	2,754
Overhead Lines	1,538	3,817
Maintenance		
Overhead Lines	<u>48,534</u>	<u>55,591</u>
Total Transmission	<u>51,536</u>	<u>62,162</u>

## CITY OF RIVER FALLS

### ELECTRIC UTILITY OPERATING REVENUES AND EXPENSES (cont.) For the Years Ended December 31, 2015 and 2014

<b>OPERATING EXPENSES (cont.)</b>	2015	2014
Distribution		
Operation		
Operation Supervision and Engineering	\$ 43,156	\$ 76,971
Station	78,089	97,338
Overhead Line	32,842	20,506
Underground Line	74,833	73,378
Street Lighting and Signal	14,672	17,728
Meter Expenses	126,496	107,974
Customer Installations	267	2,111
Miscellaneous	123,518	177,646
Maintenance		
Structures	31,636	40,904
Station Equipment	1,446	644
Overhead Line	78,061	85,396
Underground Line	25,851	24,795
Line Transformers	8,199	6,056
Street Lighting and Signal	13,482	15,708
Total Distribution	652,548	747,155
Customer Accounts		
Meter Reading	25,709	13,442
Accounting and Collecting Labor	217,530	179,002
Miscellaneous	143,581	184,788
Total Customer Accounts	386,820	377,232
Sales		
Advertising	3,646	8,028
Administrative and General		
Salaries	89,137	121,733
Office Supplies	5,138	12,801
Outside Services Employed	16,062	13,967
Property Insurance	21,358	22,227
Injuries and Damages	17,218	16,320
Employee Pensions and Benefits	228,858	226,125
Miscellaneous	144,057	160,492
Rents	55,626	58,662
Total Administrative and General	577,454	632,327
Taxes	78,357	83,476
Total Operation and Maintenance	11,521,466	11,829,858
Depreciation	785,398	752,679
Total Operating Expenses	12,306,864	12,582,537
OPERATING INCOME	\$ 1,356,217	\$ 1,069,598

**CITY OF RIVER FALLS**

WATER UTILITY PLANT  
As of and for the Year Ended December 31, 2015

	Balance 1/1/2015	Additions	Retirements	Balance 12/31/2015
<b>SOURCE OF SUPPLY</b>				
Land and Land Rights	\$ 2,708	\$ -	\$ -	\$ 2,708
Wells and Springs	234,839	-	-	234,839
Total Source of Supply	<u>237,547</u>	-	-	<u>237,547</u>
<b>PUMPING</b>				
Structures and Improvements	1,437,651	-	-	1,437,651
Other Power Production Equipment	215,385	-	-	215,385
Electric Pumping Equipment	398,365	-	-	398,365
Diesel Pumping Equipment	29,465	-	-	29,465
Total Pumping	<u>2,080,866</u>	-	-	<u>2,080,866</u>
<b>WATER TREATMENT</b>				
Water Treatment Equipment	83,786	-	-	83,786
<b>TRANSMISSION AND DISTRIBUTION</b>				
Land and Land Rights	20,412	-	-	20,412
Structures and Improvements	15,864	-	-	15,864
Distribution Reservoirs and Standpipe	848,056	-	-	848,056
Transmission and Distribution Main	9,182,156	22,013	-	9,204,169
Services	1,987,991	18,630	96	2,006,525
Meters	1,539,764	89,129	70,131	1,558,762
Hydrants	1,373,924	6,071	174	1,379,821
Other Transmission and Distribution Plant	832,327	-	-	832,327
Total Transmission and Distribution Plant	<u>15,800,494</u>	<u>135,843</u>	<u>70,401</u>	<u>15,865,936</u>
<b>GENERAL</b>				
Computers	55,847	3,438	1,678	57,607
Structures and Improvements	214,062	-	-	214,062
Office Furniture	13,912	-	2,270	11,642
Transportation Equipment	51,475	19,466	-	70,941
Tools, Shop & Garage	12,941	21,350	3,178	31,113
Laboratory Equipment	11,063	-	-	11,063
Power Operated Equipment	27,229	18,362	-	45,591
Communication Equipment	1,871	-	-	1,871
SCADA Equipment	178,744	-	-	178,744
Total General	<u>567,144</u>	<u>62,616</u>	<u>7,126</u>	<u>622,634</u>
<b>TOTAL WATER UTILITY PLANT</b>	<u>\$ 18,769,837</u>	<u>\$ 198,459</u>	<u>\$ 77,527</u>	<u>\$ 18,890,769</u>

## CITY OF RIVER FALLS

### WATER UTILITY OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2015 and 2014

<b>OPERATING REVENUES</b>	<u>2015</u>	<u>2014</u>
Sales of Water		
Residential	\$ 493,156	\$ 485,969
Commercial	103,642	103,565
Multi-Family	49,092	49,204
Industrial	16,842	14,286
Public Authorities	79,595	83,390
Irrigation	<u>163,747</u>	<u>153,356</u>
Total Metered Sales	906,074	889,770
Private Fire Protection	56,448	56,302
Public Fire Protection	<u>420,594</u>	<u>414,862</u>
Total Sales of Water	<u>1,383,116</u>	<u>1,360,934</u>
Other Operating Revenues		
Forfeited Discounts	4,828	5,143
Miscellaneous Service Revenues	-	14,341
Rent from Water Property	97,445	100,292
Other Miscellaneous Revenues	<u>41,580</u>	<u>33,527</u>
Total Operating Revenues	<u>1,526,969</u>	<u>1,514,237</u>
 <b>OPERATING EXPENSES</b>		
Pumping		
Operation		
Operation Supervision and Engineering	5,144	5,651
Fuel or Purchased Power for Pumping	85,284	96,168
Pumping Labor	21,950	18,693
Miscellaneous	-	1,828
Maintenance		
Structures and Improvements	8,048	5,778
Power Production Equipment	2,550	4,526
Pumping Equipment	<u>14,335</u>	<u>23,817</u>
Total Pumping	<u>137,311</u>	<u>156,461</u>
Water Treatment		
Operation		
Operation Supervision and Engineering	1,134	3,903
Chemicals	25,163	23,773
Operation Labor	25,232	28,590
Maintenance		
Water Treatment Equipment	<u>17,608</u>	<u>8,994</u>
Total Water Treatment	<u>69,137</u>	<u>65,260</u>

## CITY OF RIVER FALLS

### WATER UTILITY OPERATING REVENUES AND EXPENSES (cont.)

For the Years Ended December 31, 2015 and 2014

<b>OPERATING EXPENSES</b> (cont.)	<u>2015</u>	<u>2014</u>
Transmission and Distribution		
Operation		
Operation Supervision and Engineering	\$ 33,949	\$ 20,523
Storage Facilities	1,694	2,435
Transmission and Distribution Lines	42,348	38,704
Meters	12,296	23,114
Customer Installations	34,659	18,505
Miscellaneous	56,982	69,054
Maintenance		
Supervision and Engineering	31,865	20,588
Structures and Improvements	2,059	2,796
Reservoirs and Standpipes	4,198	109,509
Mains	49,557	43,972
Services	33,309	44,134
Meters	-	1,203
Hydrants	13,021	21,372
Total Transmission and Distribution	<u>315,937</u>	<u>415,909</u>
Customer Accounts		
Meter Reading	6,430	5,071
Accounting and Collecting Labor	62,234	67,578
Total Customer Accounts	<u>68,664</u>	<u>72,649</u>
Sales		
Advertising	<u>662</u>	<u>962</u>
Administrative and General		
Salaries	43,007	43,702
Office Supplies	10,813	7,294
Outside Services Employed	13,165	11,828
Property Insurance	5,279	2,434
Injuries and Damages	9,722	7,841
Employee Pensions and Benefits	104,185	76,269
Miscellaneous	10,080	1,570
Rents	30,260	29,269
Total Administrative and General	<u>226,511</u>	<u>180,207</u>
Taxes	<u>21,240</u>	<u>22,801</u>
Total Operation and Maintenance	839,462	914,249
Depreciation	<u>397,234</u>	<u>392,332</u>
Total Operating Expenses	<u>1,236,696</u>	<u>1,306,581</u>
OPERATING INCOME	<u>\$ 290,273</u>	<u>\$ 207,656</u>

## CITY OF RIVER FALLS

### SEWER UTILITY PLANT

As of and for the Year Ended December 31, 2015

	Balance 1/1/2015	Additions	Retirements	Balance 12/31/2015
<b>COLLECTING SYSTEM</b>				
Collecting Mains	\$ 9,365,409	\$ 23,888	\$ -	\$ 9,389,297
Interceptor Mains	7,228,480	-	-	7,228,480
Force Mains	141,607	-	-	141,607
Other Collecting System Equipment	-	-	-	-
Total Collecting System	<u>16,735,496</u>	<u>23,888</u>	<u>-</u>	<u>16,759,384</u>
<b>COLLECTING SYSTEM PUMPING</b>				
Land and Land Rights	2,384	-	-	2,384
Structures & Improvements	330,289	-	-	330,289
Receiving Wells	440,113	-	-	440,113
Electric Pumping Equipment	334,738	-	-	334,738
Total Collecting System Pumping	<u>1,107,524</u>	<u>-</u>	<u>-</u>	<u>1,107,524</u>
<b>TREATMENT AND DISPOSAL</b>				
Land and Land Rights	115,238	-	-	115,238
Structures and Improvements	4,374,331	-	-	4,374,331
Preliminary Treatment Equipment	640,652	-	-	640,652
Primary Treatment Equipment	395,354	-	-	395,354
Secondary Treatment Equipment	504,858	-	-	504,858
Chlorination Equipment	109,007	-	-	109,007
Sludge Treatment and Disposal Equipment	944,487	-	-	944,487
Plant Site Piping	1,000,644	-	-	1,000,644
Flow Metering and Monitoring Equipment	87,513	-	-	87,513
Other Treatment and Disposal Equipment	61,247	-	-	61,247
Total Treatment and Disposal	<u>8,233,331</u>	<u>-</u>	<u>-</u>	<u>8,233,331</u>
<b>GENERAL</b>				
Structures and Improvements	1,031,787	-	-	1,031,787
Office Furniture's	21,623	-	3,711	17,912
Computers	38,140	3,438	1,381	40,197
Transportation Equipment	145,928	19,467	1,486	163,909
Other General Equipment	268,765	18,367	6,814	280,318
SCADA Equipment	175,887	-	-	175,887
Total General	<u>1,682,130</u>	<u>41,272</u>	<u>13,392</u>	<u>1,710,010</u>
<b>TOTAL SEWER UTILITY PLANT</b>	<u>\$ 27,758,481</u>	<u>\$ 65,160</u>	<u>\$ 13,392</u>	<u>\$ 27,810,249</u>

# CITY OF RIVER FALLS

## SEWER UTILITY OPERATING REVENUES AND EXPENSES For the Years Ended December 31, 2015 and 2014

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<b>OPERATING REVENUES</b>	<u>2015</u>	<u>2014</u>
Sales of Wastewater		
Residential	\$ 1,990,488	\$ 1,959,032
Commercial	447,794	445,547
Multi-Family	236,670	237,415
Industrial	94,205	78,078
Public Authorities	<u>366,697</u>	<u>399,909</u>
Total Wastewater Sales	<u>3,135,854</u>	<u>3,119,981</u>
Other Operating Revenues		
Forfeited Discounts	13,058	14,389
Other Miscellaneous Revenues	<u>38,127</u>	<u>35,659</u>
Total Operating Revenues	<u>3,187,039</u>	<u>3,170,029</u>
 <b>OPERATING EXPENSES</b>		
Operation		
Operation Supervision and Engineering	115,823	125,334
Power and Fuel for Pumping	17,453	29,038
Power and Fuel for Aeration Equipment	188,767	226,966
Treatment Charges	367,325	407,034
Chlorine	4,752	4,322
Phosphorous Removal Chemicals	-	2,129
Other Operating Supplies	33,683	37,561
Transportation	<u>11,609</u>	<u>6,754</u>
Total Operations	<u>739,412</u>	<u>839,138</u>
Maintenance		
Collection System	303,792	198,685
Pumping Equipment	65,243	28,535
Treatment and Disposal Plant Equipment	189,651	125,846
General Plant Structures Equipment	<u>23,407</u>	<u>41,022</u>
Total Maintenance	<u>582,093</u>	<u>394,088</u>
Customer Accounts		
Accounting and Collecting Labor	<u>135,434</u>	<u>140,615</u>
Sales		
Advertising	<u>674</u>	<u>970</u>
Administrative and General		
Salaries	123,720	105,663
Office Supplies	15,540	12,585
Outside Services Employed	10,566	17,284
Property Insurance	9,652	9,520
Injuries and Damages	14,777	11,561
Employee Pensions and Benefits	137,472	147,420

## CITY OF RIVER FALLS

### SEWER UTILITY OPERATING REVENUES AND EXPENSES (cont.)

For the Years Ended December 31, 2015 and 2014

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	<u>2015</u>	<u>2014</u>
<b>OPERATING EXPENSES</b> (cont.)		
Administrative and General (cont.)		
Miscellaneous	\$ 5,023	\$ 21,107
Rents	<u>56,431</u>	<u>53,396</u>
Total Administrative and General	<u>373,181</u>	<u>378,536</u>
Taxes	<u>31,792</u>	<u>27,086</u>
Total Operation and Maintenance	1,862,586	1,780,433
Depreciation	<u>563,321</u>	<u>558,780</u>
Total Operating Expenses	<u>2,425,907</u>	<u>2,339,213</u>
OPERATING INCOME	<u>\$ 761,132</u>	<u>\$ 830,816</u>

## CITY OF RIVER FALLS

### INSURANCE SUMMARY For the Year Ended December 31, 2015

Description	Insurer	Policy Number	Coverage Limits	Deductible	Policy Period
Property	Liberty Mutual	YU2-Z91-515581-275	\$ 67,199,437	\$100,000 Real Property & \$100,000 Flood	8/1/2015 - 8/1/2016
General Liability	Liberty Mutual	TB7-Z91-515581-145	\$ 2,000,000	NA	8/1/2015 - 8/1/2016
Business Automobile	Liberty Mutual	AS2-Z91-515581-115	\$ 2,000,000	\$250 Comprehensive, \$500 Collision	8/1/2015 - 8/1/2016
Workers Compensation	Liberty Mutual	WC2-Z91-515581-245	\$ 500,000	NA	8/1/2015 - 8/1/2016
Commercial Umbrella	Liberty Mutual	THC-Z91-515581-155	\$ 4,000,000	NA	8/1/2015 - 8/1/2016
Law Enforcement Liability	Liberty Mutual	ROC-Z91-515581-235	\$ 2,000,000	NA	8/1/2015 - 8/1/2016
Crime	Liberty Mutual	YC2-Z91-515581-265	\$50,000 - \$500,000	\$1,000 - \$5,000 per occurrence	8/1/2015 - 8/1/2016
Management Liability	R-T Specialty, LLC	0202-2479	\$ 5,000,000	\$5,000 - \$15,000 varying retentions	8/1/2015 - 8/1/2016
Inland Marine	Liberty Mutual	8141002	\$ 1,672,218	\$1,000	8/1/2015 - 8/1/2016
Cyber & Privacy Liability	Associated Financial Group	DB502629	\$ 1,000,000	\$10,000	1/1/2016 - 1/1/2017

## CITY OF RIVER FALLS

WATER UTILITY REVENUE BOND DISCLOSURE  
WATER SALES TO GENERAL CUSTOMERS  
For the Year Ended December 31, 2015

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	<u>Average Customer Count</u>	<u>Gallons Sold (000's)</u>
Residential	4,126	167,938
Commercial	290	54,292
Industrial	17	12,663
Public Authority	75	45,416
Multi-Family Residential	72	29,394
Irrigation	<u>648</u>	<u>54,670</u>
Total Metered Sales	<u>5,228</u>	<u>364,373</u>