

In the opinion of Quarles & Brady LLP, Bond Counsel, assuming continued compliance with the requirements of the Internal Revenue Code of 1986, as amended, under existing law interest on the Series 2015A Bonds and the Series 2015B Bonds is excludable from gross income and is not an item of tax preference for federal income tax purposes. See "TAX EXEMPTION" herein for a more detailed discussion of some of the federal income tax consequences of owning the Series 2015A Bonds and Series 2015B Bonds. The interest on the Series 2015A Bonds and the Series 2015B Bonds is not exempt from present Wisconsin income or franchise taxes.

The City will designate the Series 2015A Bonds and the Series 2015B Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

New Issues

Rating Application Made: Moody's Investors Service

**PRELIMINARY OFFICIAL STATEMENT DATED JULY 30, 2015
CITY OF NEW RICHMOND, WISCONSIN
(St. Croix County)**

**\$3,530,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A
\$1,800,000** ELECTRIC UTILITY REVENUE REFUNDING BONDS, SERIES 2015B**

BID OPENING: August 10, 2015, 10:00 A.M., C.T.

CONSIDERATION: August 10, 2015, 7:00 P.M., C.T.

PURPOSE/AUTHORITY/SECURITY: The \$3,530,000 General Obligation Refunding Bonds, Series 2015A (the "Series 2015A Bonds") of the City of New Richmond, Wisconsin (the "City") are authorized pursuant to Wisconsin Statutes, Section 67.04, to provide funds to current refund certain outstanding general obligations of the City. The \$1,800,000 Electric Utility Revenue Refunding Bonds, Series 2015B (the "Series 2015B Bonds") of the City are authorized pursuant to Wisconsin Statutes, Section 66.0621, to provide funds to current refund certain outstanding special obligations of the City. The Series 2015A Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount. The Series 2015B Bonds are valid and binding special obligations of the City and are payable from electric revenues. Delivery is subject to receipt of approving legal opinions of Quarles & Brady LLP, Milwaukee, Wisconsin.

SERIES 2015A BONDS

DATE OF SERIES 2015A BONDS: August 26, 2015

MATURITY: October 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2016	\$315,000	2022	\$365,000
2017	320,000	2023	380,000
2018	325,000	2024	390,000
2019	340,000	2025	400,000
2020	340,000		
2021	355,000		

ADJUSTMENT: * See "Adjustment Option" herein.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2016 and semiannually thereafter.

REDEMPTION: Series 2015A Bonds maturing October 1, 2023 and thereafter are subject to call for prior redemption on October 1, 2022 and any date thereafter, at par.

MINIMUM BID: \$3,494,700

GOOD FAITH DEPOSIT: A cashier's check in the amount of \$70,600 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation, Roseville, MN.

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

SERIES 2015B BONDS

DATE OF SERIES 2015B BONDS: August 26, 2015

MATURITY: October 1 as follows:

<u>Year</u>	<u>Amount**</u>	<u>Year</u>	<u>Amount**</u>
2016	\$140,000	2022	\$170,000
2017	150,000	2023	175,000
2018	150,000	2024	180,000
2019	155,000	2025	185,000
2020	160,000	2026	170,000
2021	165,000		

ADJUSTMENT: ** See "Adjustment Option" herein.

TERM BONDS: See "Term Bond Option" herein.

INTEREST: April 1, 2016 and semiannually thereafter.

REDEMPTION: Series 2015B Bonds maturing October 1, 2024 and thereafter are subject to call for prior redemption on October 1, 2023 and any date thereafter, at par.

MINIMUM BID: \$1,778,400

GOOD FAITH DEPOSIT: A cashier's check in the amount of \$36,000 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit shall be made by the winning bidder by wire transfer of funds.

PAYING AGENT: Bond Trust Services Corporation, Roseville, MN.

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

This Preliminary Official Statement will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Series 2015A Bonds and Series 2015B Bonds, as defined in S.E.C. Rule 15c2-12.

REPRESENTATIONS

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

This Preliminary Official Statement is not to be construed as a contract with the Syndicate Manager or Syndicate Members. Statements contained herein which involve estimates or matters of opinion are intended solely as such and are not to be construed as representations of fact. Ehlers prepared this Preliminary Official Statement and any addenda thereto relying on information of the City and other sources for which there is reasonable basis for believing the information is accurate and complete. Bond Counsel has not participated in the preparation of this Preliminary Official Statement except as described herein and is not expressing any opinion as to the completeness or accuracy of the information contained therein. Compensation of Ehlers, payable entirely by the City, is contingent upon the sale of the issue.

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

Certain municipal obligations (issued in an aggregate amount over \$1,000,000) are subject to General Rules and Regulations, Securities Exchange Act of 1934, Rule 15c2-12 Municipal Securities Disclosure (the "Rule").

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

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

Final Official Statement: Upon award of sale of these Bonds, the Preliminary Official Statement together with any previous addendum of corrections or additions will be further supplemented by an addendum specifying the offering prices, interest rates, aggregate principal amount, principal amount per maturity, anticipated delivery date, and Syndicate Manager and Syndicate Members, together with any other information required by law, and, as supplemented, shall constitute a "Final Official Statement" of the City with respect to the Bonds, as defined in the Rule. Copies of the Final Official Statement will be delivered to the underwriter (Syndicate Manager) within seven business days following the proposal acceptance.

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

CLOSING CERTIFICATES

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

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COMMON COUNCIL

		<u>Term Expires</u>
Fred Horne	Mayor	April 2016
Craig Kittel	Aldersperson	April 2017
Scottie Ard	Aldersperson	April 2017
Jim Jackson	Aldersperson	April 2017
Jane Hansen	Aldersperson	April 2016
Ron Volkert	Aldersperson	April 2016
Jim Zajkowski	Aldersperson	April 2016

ADMINISTRATION

Mike Darrow, City Administrator

Tanya Reigel, City Clerk

Bev Langenback, City Treasurer

UTILITY COMMISSION

Gerald Frey	President
Pat Becker	Vice President
Robert Mullen	Secretary
Gerald Warner	Member
Dan Casey	Member

ADMINISTRATION

Mike Darrow, Utility Manager

Tom Rickard, Electrical Superintendent

Nancy Petersen, Utility Finance Director

PROFESSIONAL SERVICES

Quarles & Brady LLP, Bond Counsel, Milwaukee, WI

Ehlers & Associates, Inc., Municipal Advisors, Roseville, MN
(Other offices located in Pewaukee, WI, Lisle, IL and Denver, CO)

INTRODUCTORY STATEMENT

This Preliminary Official Statement contains certain information regarding the City of New Richmond, Wisconsin (the "City") and the issuance of its \$3,530,000 General Obligation Refunding Bonds, Series 2015A (the "Series 2015A Bonds") and \$1,800,000 Electric Utility Revenue Refunding Bonds, Series 2015B (the "Series 2015B Bonds"), collectively referred to herein as the "Bonds." Any descriptions or summaries of the Bonds, statutes, or documents included herein are not intended to be complete and are qualified in their entirety by reference to such statutes and documents and the forms of the Series 2015A Bonds and the Series 2015B Bonds to be included in the resolutions authorizing the sale of the Series 2015A Bonds and the Series 2015B Bonds to be adopted by the Common Council on August 10, 2015.

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

THE SERIES 2015A BONDS

GENERAL

The Series 2015A Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of August 26, 2015. The Series 2015A Bonds will mature on October 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2016, to the registered owners of the Series 2015A Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Series 2015A Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser the Series 2015A Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Series 2015A Bonds are held under the book-entry system, beneficial ownership interests in the Series 2015A Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Series 2015A Bonds shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Series 2015A Bonds shall be payable as provided in the resolution awarding the sale of the Series 2015A Bonds.

The City has selected Bond Trust Services Corporation, Roseville, MN, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, Series 2015A Bonds maturing on or after October 1, 2023 shall be subject to redemption prior to maturity on October 1, 2022 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Series 2015A Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Series 2015A Bonds to be redeemed shall be at the discretion of the City. If only part of the Series 2015A Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, to DTC not fewer than 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2015A Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Series 2015A Bonds of the City are authorized pursuant to Wisconsin Statutes, Section 67.04, to provide funds to current refund on October 1, 2015, the entire principal outstanding of the \$4,545,000 General Obligation Corporate Purpose Bonds, Series 2006A, dated May 9, 2006 (the "Series 2006A Bonds").

Following are the maturities of the Series 2006A Bonds being refunded by the Series 2015A Bonds:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 648431
Series 2006A Bonds	5/9/06	10/01/15	Par	2016	4.125%	\$280,000	MQ4
				2017	4.125%	290,000	MR2
				2018	4.125%	300,000	MS0
				2019	4.125%	320,000	MT8
				2020	4.125%	330,000	MU5
				2021	4.125%	350,000	MV3
				2022	4.125%	365,000	MW1
				2023	4.150%	385,000	MX9
				2024	4.200%	405,000	MY7
				2025	4.200%	<u>425,000</u>	MZ4
Total Series 2006A Bonds Being Refunded						<u>\$3,450,000</u>	

ESTIMATED SOURCES AND USES

Sources		
Par Amount of Series 2015A Bonds	\$3,530,000	
Total Sources		\$3,530,000
Uses		
Deposit to Current Refunding Fund	\$3,450,000	
Contingency	700	
Discount Allowance	35,300	
Finance Related Expenses	<u>44,000</u>	
Total Uses		\$3,530,000

SECURITY

For the prompt payment of the Series 2015A Bonds with interest thereon and for the levy of taxes sufficient for this purpose, the full faith, credit and resources of the City will be irrevocably pledged. The City will levy a direct, annual, irrevocable tax on all taxable property in the City sufficient to pay the interest on the Series 2015A Bonds when it becomes due and also to pay and discharge the principal on the Series 2015A Bonds at maturity, in compliance with Article XI, Section 3 of the Wisconsin Constitution. Such tax may, under current law, be levied without limitation as to rate or amount.

LEGAL OPINION

An opinion as to the validity of the Series 2015A Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, bond counsel to the City, and will accompany the Series 2015A Bonds. The legal opinion will be issued on the basis of existing law and will state that the Series 2015A Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Series 2015A Bonds and the enforceability of the Series 2015A Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

THE SERIES 2015B BONDS

GENERAL

The Series 2015B Bonds will be issued in fully registered form as to both principal and interest in denominations of \$5,000 each or any integral multiple thereof, and will be dated, as originally issued, as of August 26, 2015. The Series 2015B Bonds will mature on October 1 in the years and amounts set forth on the cover of this Preliminary Official Statement. Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2016, to the registered owners of the Series 2015B Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Series 2015B Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

Unless otherwise specified by the purchaser, the Series 2015B Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). (See "Book-Entry-Only System" herein.) As long as the Series 2015B Bonds are held under the book-entry system, beneficial ownership interests in the Series 2015B Bonds may be acquired in book-entry form only, and all payments of principal of, premium, if any, and interest on the Series 2015B Bonds shall be made through the facilities of DTC and its Participants. If the book-entry system is terminated, principal of, premium, if any, and interest on the Series 2015B Bonds shall be payable as provided in the Award Resolution.

The City has selected Bond Trust Services Corporation, Roseville, MN, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, Series 2015B Bonds maturing on or after October 1, 2024 shall be subject to prior payment on October 1, 2023 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Series 2015B Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Series 2015B Bonds to be prepaid shall be at the discretion of the City. If only part of the Series 2015B Bonds having a common maturity date are called for prepayment, the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, to DTC not fewer than 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2015B Bond to be redeemed at the address shown on the registration books.

AUTHORITY; PURPOSE

The Series 2015B Bonds of the City are authorized pursuant to Wisconsin Statutes, Section 66.0621, to provide funds to current refund on October 1, 2015, the entire principal outstanding of the \$2,160,000 Electric Utility Revenue Bonds, Series 2006B dated May 9, 2006 (the "Series 2006B Bonds").

Following are the maturities of the Series 2006B Bonds being refunded by the Series 2015B Bonds:

Issue Being Refunded	Date of Refunded Issue	Call Date	Call Price	Maturities Being Refunded	Interest Rates	Principal to be Refunded	CUSIP Base 648432
Series 2006B Bonds	5/9/06	10/1/15	Par	2015	4.20%	\$120,000	BH4
				2016	4.20%	125,000	BJ0
				2018 (term)	4.20%	265,000	BL5
				2020 (term)	4.20%	295,000	BN1
				2023 (term)	4.25%	500,000	BR2
				2026 (term)	4.40%	<u>570,000</u>	BU5
Total Series 2006B Bonds Being Refunded						<u>\$1,875,000</u>	

ESTIMATED SOURCES AND USES

Sources

Par Amount of Series 2015B Bonds	\$1,800,000
Funds on Hand - Debt Service Fund	160,070
Transfers from Prior Issue Debt Service Reserve Fund	<u>208,800</u>
Total Sources	\$2,168,870

Uses

Deposit to Current Refunding Fund	\$1,915,070
Debt Service Reserve Fund	180,000
Contingency	2,200
Discount Allowance	21,600
Finance Related Expenses	<u>50,000</u>
Total Uses	\$2,168,870

SECURITY

This section is a summary of security provisions. A detailed explanation of the security provisions is contained in the resolution awarding the sale of the Series 2015B Bonds (the "Series 2015B Bonds Resolution"), which is available upon request from Ehlers.

Source of Payment: THE SERIES 2015B BONDS ARE NOT GENERAL OBLIGATIONS OF THE CITY but are payable only out of revenues derived from the operation of the Electric Utility (after payment of operation and maintenance expenses) that are pledged to the Special Redemption Fund provided for in the Series 2015B Bonds Resolution (the "Special Redemption Fund"). The City covenants to deposit revenues in an amount sufficient to pay principal of and interest of the Series 2015B Bonds in the Special Redemption Fund and to use the funds in the Special Redemption Fund only for the purpose of paying principal of and interest on the Series 2015B Bonds.

Rate Covenant: The City covenants to establish, charge and collect such lawfully established rates and charges for the services provided by the Electric Utility so that net revenues (i.e. gross revenues derived from said rates and charges less all costs of operation and maintenance, exclusive of debt service, depreciation, or local tax equivalents) will be at least 1.25 times the amount of principal and interest coming due on all outstanding bonds with a senior lien on the income and revenues of the Electric Utility pledged to the Special Redemption Fund each year.

Additional Bonds Test: The City reserves the right and privilege to issue additional revenue bonds, from time to time, payable from Electric Utility revenues and ranking on a parity with any outstanding Electric Utility revenue bonds. Before such additional parity bonds are issued:

The Net Revenues for the last completed Fiscal Year preceding the issuance of such additional obligations must have been at least equal to one and one-quarter (1.25) times the average combined annual interest and principal requirements on all Bonds and any Parity Bonds then outstanding payable from the revenues of the System (other than Bonds and any Parity Bonds being refunded), and the obligations so proposed to be issued, for any succeeding Fiscal Year in which there shall be a principal maturity on such outstanding bonds; provided, however, that if prior to the authorization of such additional obligations the City shall have adopted and put into effect a revised schedule of rates, then the Net Revenues of the System for the last completed Fiscal Year which would, in the written opinion of an independent consulting engineer or independent certified public accountant employed for that purpose, have resulted from such rates had they been in effect for such period may be used in lieu of the actual Net Revenues for the last completed Fiscal Year; or an independent certified public accountant or consulting professional engineer provides a certificate setting forth for each of the three Fiscal Years commencing with the Fiscal Year following that in which the projects financed by such additional obligations are to be completed, the projected Net Revenues and the maximum annual interest and principal requirements on all bonds outstanding payable from the Gross Revenues of the System and on the obligations then to be issued (the "Maximum Annual Debt Service Requirement"); and demonstrating that for each such Fiscal Year the projected Net Revenues will be in an amount not less than 125% of such Maximum Annual Debt Service Requirement.

Service to City: The City is to pay the reasonable cost and value of any services rendered to the City by the Electric Utility equal to the lesser of the maximum annual debt service amount or such part thereof as may be necessary from year to year to produce net revenues equivalent to not less than 1.25 times the annual debt service requirements on the Series 2015B Bonds and any other outstanding parity bonds. Such payment by the City is subject to annual appropriation by the Common Council and other conditions set forth in the Series 2015B Bond Resolution including applicable levy limits, if any.

Bond Reserve Account: The City covenants to establish and maintain a Reserve Account in an amount equal to the least of (a) 10% of the proceeds of the Series 2015B Bonds; (b) maximum annual debt service on the outstanding Series 2015B Bonds and any outstanding parity bonds; or (c) 125% of average annual debt service on the outstanding Series 2015B Bonds and any outstanding parity bonds. Upon issuance of the Series 2015B Bonds, an amount necessary to make the amount on deposit in the Reserve Account equal to the reserve requirement will be deposited in the Reserve Account.

ELECTRIC UTILITY REVENUE DEBT OUTSTANDING

All outstanding Electric Utility Revenue debt of the City is listed on the following page.

HISTORIC ELECTRIC UTILITY DEBT SERVICE COVERAGES

The exhibit on Page 9 presents the five-year historic debt service coverages of the Electric Utility.

CITY OF NEW RICHMOND, WISCONSIN
Schedule of Bonded Indebtedness
Revenue Debt Secured by Electric Revenues
(As of 8/26/15)

(This Issue)
Refunding 1)
Series 2015B

Fiscal Year Ending	Dated Amount	Maturity	Estimated		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
			Principal	Interest						
	8/26/2015 \$1,800,000	10/01								
2016			140,000	50,851	140,000	50,851	190,851	1,660,000	7.78%	2016
2017			150,000	44,245	150,000	44,245	194,245	1,510,000	16.11%	2017
2018			150,000	41,620	150,000	41,620	191,620	1,360,000	24.44%	2018
2019			155,000	38,695	155,000	38,695	193,695	1,205,000	33.06%	2019
2020			160,000	35,363	160,000	35,363	195,363	1,045,000	41.94%	2020
2021			165,000	31,603	165,000	31,603	196,603	880,000	51.11%	2021
2022			170,000	27,478	170,000	27,478	197,478	710,000	60.56%	2022
2023			175,000	22,803	175,000	22,803	197,803	535,000	70.28%	2023
2024			180,000	17,640	180,000	17,640	197,640	355,000	80.28%	2024
2025			185,000	11,970	185,000	11,970	196,970	170,000	90.56%	2025
2026			170,000	5,865	170,000	5,865	175,865	0	100.00%	2026
			1,800,000	328,131	1,800,000	328,131	2,128,131			

∞

1) This issue is refunding the 2015 through 2026 maturities of the City's \$2,160,000 Electric Utility Revenue Bonds, Series 2006B, dated May 9, 2006. The refunded maturities will be called for prior redemption on October 1, 2015, and have not been included in the calculation of debt ratios.

City of New Richmond, WI

Calculation of Amount Available for Debt Service - Electric Utility

	2010	2011	2012	2013	2014
OPERATING REVENUES					
Charges for Services	9,031,983	9,417,651	9,550,450	9,668,644	9,746,313
TOTAL OPERATING REVENUES	9,031,983	9,417,651	9,550,450	9,668,644	9,746,313
OPERATING EXPENSES					
Operation and Maintenance	8,038,125	8,470,264	8,611,414	8,678,893	8,607,496
Depreciation	486,614	532,489	551,191	558,339	562,543
Taxes	68,499	71,463	69,321	62,980	66,557
TOTAL OPERATING EXPENSES	8,593,238	9,074,216	9,231,926	9,300,212	9,236,596
OPERATING INCOME	438,745	343,435	318,524	368,432	509,717
Plus: Depreciation	486,614	532,489	551,191	558,339	562,543
Taxes	68,499	71,463	69,321	62,980	66,557
Interest Income/Loss	11,479	5,164	3,555	(476)	4,757
REVENUE AVAILABLE FOR DEBT SERVICE	1,005,337	952,551	942,591	989,275	1,143,574
ELECTRIC REVENUE DEBT SERVICE					
2003 \$815,000 Electric System Rev. Ref. Bonds	82,750	79,750	81,975	83,600	-
2006 \$2,160,000 Electric System Rev. Bonds	114,800	118,750	117,490	116,230	199,970
TOTAL ELECTRIC REVENUE DEBT SERVICE	197,550	198,500	199,465	199,830	199,970
DEBT SERVICE COVERAGE	5.09	4.80	4.73	4.95	5.72

DESCRIPTION OF ELECTRIC UTILITY

The City of New Richmond Electric Utility is a separate enterprise fund. It operates under service rules established by the Wisconsin Public Service Commission which regulates the rates charged. The City of New Richmond owns and operates the Electric Utility consisting of three substations and a distribution plant for its service area which includes the City of New Richmond.

The City purchases most of its power and energy requirements from Wisconsin Public Power Inc. (WPPI). The long-term contract may be terminated by either party upon five years prior written notice effective at the end of the initial thirty-five year term, or at any other time thereafter, provided that no WPPI bonds are outstanding at the time of the proposed termination and certain other contract provisions are met. The current contract expires in 2037.

History of Electric Sales (excluding sales for resale)

Year	Total kWh (000's)	Total Billings
2010	89,456	\$8,993,348
2011	90,501	9,383,007
2012	93,872	9,516,105
2013	91,291	9,642,941
2014	90,016	9,706,027

History of Electric Meter Connections by Customer Type

	2010	2011	2012	2013	2014
Residential	3,529	3,550	3,567	3,601	3,649
Rural	60	60	60	62	64
Commercial	533	537	539	543	541
Interdepartmental	24	24	25	25	26
Small Power	58	61	60	58	65
Large Power	16	19	21	21	19
Security Lighting	42	42	42	42	42
Street Lighting	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>	<u>1</u>
Total	4,263	4,294	4,315	4,353	4,407

History of Electric Billings by Customer Type

	2010	2011	2012	2013	2014
Residential	\$3,332,612	\$3,458,637	\$3,462,707	\$3,628,203	\$3,785,028
Rural	86,706	84,292	85,080	87,927	94,176
Commercial	1,211,843	1,249,045	1,272,358	1,298,527	1,185,584
Interdepartmental	158,993	155,986	152,280	143,538	131,454
Small Power	1,445,904	1,492,678	1,515,549	1,460,578	1,578,159
Large Power	2,540,985	2,705,434	2,787,980	2,784,289	2,719,937
Security Lighting	13,200	15,184	16,254	15,331	10,603
Street Lighting	<u>203,105</u>	<u>221,751</u>	<u>223,897</u>	<u>224,548</u>	<u>201,086</u>
Total	\$8,993,348	\$9,383,007	\$9,516,105	\$9,642,941	\$9,706,027

History of Electricity Purchased and Cost

Year	kWh Purchased (000's)	Cost of kWh Purchased
2010	92,889	\$7,111,846
2011	93,535	7,441,800
2012	93,872	7,607,777
2013	94,345	7,621,894
2014	92,933	7,667,627

History of Peak Demand

Year	Peak Demand (kW)
2010	20,131
2011	20,728
2012	20,531
2013	22,091
2014	19,539

2014 Larger Electric Customers

Total 2014 kWh Sold: \$90,016,000

Total 2014 Billings: \$9,706,027

Customer	kWh Sold	Billings	% of Total Billings
Phillips Plastics Corporation	4,511,000	\$365,320	3.76%
Wal-Mart Stores	3,695,544	314,719	3.24%
Westfields Hospital	2,489,664	208,208	2.15%
St. Croix Press	2,475,000	283,342	2.92%
Nash Finch Co.	1,932,000	167,794	1.73%
Lakeside Foods	1,873,000	178,641	1.84%
Federal Foam Technologies	1,686,000	175,503	1.81%
Doboy Inc.	1,520,800	152,395	1.57%
WITC	1,293,840	134,410	1.38%
Domain, Inc.	1,160,000	156,056	1.61%

Electric Rates and Charges

Electric rates are subject to approval by the Wisconsin Public Service Commission. The following Electric rates and charges were approved December 1, 2013. Billings for all customers are rendered monthly. A charge of 1% will be added to bills not paid within 20 days from date of issuance. A late payment charge shall be applied only once to any given amount outstanding.

Residential Service (Residential single-phase customers for ordinary household purposes and three-phase customers)

Customer Charge: Single-phase: \$8.00 per month (minimum charge)

Energy Charge: \$0.1065 per kWh

General Service (Commercial, institutional, government, farm and other single and three-phase customers)

Customer Charge: Single-phase: \$ 8.00 per month (minimum charge)

Three-phase: \$15.00 per month (minimum charge)

Energy Charge: \$0.1106 per kWh

Small Power Service (Maximum Measured Demand in excess of 50 kW)

Customer Charge: \$50.00 per month

Customer Demand Charge: \$1.50 per kWh

Demand Charge: \$7.00 per kWh

Energy Charge: \$0.0710 per kWh

Large Power TOD Service Rate (Monthly Maximum Measured Demand is in excess of 200 kW)

Customer Charge: \$150.00 per month

Customer Demand Charge: \$1.75 per kWh

On-Peak Demand Charge: \$7.75 per kWh

Energy Charges:

On-Peak \$0.0900 per kWh

Off-Peak \$0.0497 per kWh

Industrial Power TOD Service Rate (Monthly Maximum Measured Demand in excess of 1,000 kW)

Customer Charge:	\$200.00 per month
Customer Demand Charge:	\$1.75 per kW
On-Peak Demand Charge:	\$9.00 per kW
On-Peak	\$0.0823 per kWh
Off-Peak	\$0.0413 per kWh

Average Bill for Residential Service in 2014

Avg. Monthly Usage in kWh	Avg. Monthly Bill
746	\$132.58

PCAC (Purchase Power Cost Adjustment Clause): All metered rates are subject to a positive or negative power cost adjustment charge equivalent to the amount by which the current cost of power (per kilowatt-hour of sales) is greater or lesser than the base cost of power purchased and produced (per kilowatt-hour of sales). The current cost per kilowatt-hour of energy billed is equal to the adjusted cost of power purchased for the most recent month divided by the kilowatt-hours of energy sold. The monthly adjustment is equal to the current cost less the base cost.

LEGAL OPINION

An opinion as to the validity of the Series 2015B Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, bond counsel to the City, and will accompany the Series 2015B Bonds. The legal opinion will be issued on the basis of existing law and will state that the Series 2015B Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Series 2015B Bonds and the enforceability of the Series 2015B Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

PROVISIONS COMMON TO BOTH THE SERIES 2015A BONDS AND THE SERIES 2015B BONDS

The following information pertains to both the Series 2015A Bonds and the Series 2015B Bonds which are collectively referred to hereinafter as the "Bonds."

RATING

General obligation debt of the City, with the exception of any outstanding credit enhanced issues, is currently rated "Aa3" by Moody's Investors Service. Outstanding electric utility revenue debt of the City is currently rated "A3" by Moody's Investors Service.

The City is requesting ratings on these issues from Moody's Investors Service, and bidders will be notified as to the assigned ratings prior to the sale. Such ratings, if and when received, will reflect only the view of the rating agency and any explanation of the significance of such rating may only be obtained from Moody's Investors Service. There is no assurance that such ratings, if and when received, will continue for any period of time or that it will not be revised or withdrawn. Any revision or withdrawal of the ratings may have an effect on the market price of the Bonds.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with SEC Rule 15c2-12 promulgated by the Securities and Exchange Commission, pursuant to the Securities Exchange Act of 1934 (hereinafter the "Rule"), the City shall covenant to take certain actions pursuant to a Resolution adopted by the Common Council by entering into a Continuing Disclosure Undertaking (the "Disclosure Undertaking") for the benefit of holders, including beneficial holders. The Disclosure Undertaking requires the City to provide electronically or in the manner otherwise prescribed certain financial information annually and to provide notices of the occurrence of certain events enumerated in the Rule. The details and terms of the Disclosure Undertaking for this issue are set forth in Appendix D to be executed and delivered by the City at the time of delivery of the Bonds. Such Disclosure Undertaking will be in substantially the form attached hereto.

In the previous five years, the City believes it has complied in all material respects with its prior undertakings under the Rule. A failure by the City to comply with any Disclosure Undertaking will not constitute an event of default on this issue or any issue outstanding. However, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price. Due to widespread industry knowledge of bond insurance rating changes, bond insurance rating changes are not listed.

The City will file its continuing disclosure information using the Electronic Municipal Market Access ("EMMA") system or any system that may be prescribed in the future. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

STATEMENT REGARDING BOND COUNSEL PARTICIPATION

Bond Counsel has not assumed responsibility for this Official Statement or participated in its preparation (except with respect to the section entitled "Tax Exemption" in the Official Statement and the "Form of Legal Opinions" found in the Appendix B) and has not performed any investigation as to its accuracy, completeness or sufficiency.

TAX EXEMPTION

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

"The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The City has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the City comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds."

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

MUNICIPAL ADVISOR

Ehlers has served as Municipal Advisor to the City in connection with the issuance of the Bonds. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Preliminary Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. Ehlers is not a firm of certified public accountants.

MUNICIPAL ADVISOR AFFILIATED COMPANIES

Bond Trust Services Corporation (“BTSC”) and Ehlers Investment Partners, LLC (“EIP”) are affiliate companies of Ehlers. BTSC is chartered by the State of Minnesota and authorized in Minnesota, Wisconsin and Illinois to transact the business of a limited purpose Trust Company. BTSC provides Paying Agent services to debt issuers. EIP is a Registered Investment Advisor with the Securities and Exchange Commission. EIP assists issuers with the investment of bond proceeds or investing other issuer funds. Cities, such as this issuer, have or may retain BTSC and/or EIP to provide these services. If hired, BTSC and/or EIP would be retained by the issuer under an agreement separate from Ehlers.

RISK FACTORS

Following is a description of possible risks to holders of these Bonds without weighting as to probability. This description of risks is not intended to be all-inclusive, and there may be other risks not now perceived or listed here.

Taxes: The Series 2015A Bonds of this offering are general obligations of the City, the ultimate payment of which rests in the City's ability to levy and collect sufficient taxes to pay debt service.

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

Rates: State or federal action to create oversight on rate setting by municipal utilities could affect the ability of the Electric Utility to produce future revenues. No such regulations are currently proposed or anticipated.

Electric Utility Industry: The electric utility industry is constantly changing in the face of market forces and regulatory actions. Changes in the electric utility industry may impact the financial condition of the Electric Utility. Such changes include, but are not limited to, (a) the effects of competition from other suppliers of electricity, (b) the effects of compliance with rapidly changing environmental, safety, licensing, and regulatory requirements, (c) the changes resulting from conservation and demand side management programs on the timing and use of electric energy, and (d) the challenges to the Electric Utility's ability to issue tax exempt obligations. Any of these factors could have an impact on the financial condition of the Electric Utility.

System Revenues: Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the Electric Utility to be inoperable, a shortfall of revenues could result in a delay of debt payments.

Larger Users: Should larger users increase or decrease usage of the electric service currently provided, the revenues of the Electric Utility will be affected proportionately.

Ratings; Interest Rates: In the future, the City's credit rating may be reduced or withdrawn, or interest rates for this type of obligation may rise generally, either possibility resulting in a reduction in the value of the Bonds for resale prior to maturity.

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

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

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

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

Economy: A combination of economic, climatic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced tax collections and/or increased demands upon local government.

VALUATIONS

WISCONSIN PROPERTY VALUATIONS; PROPERTY TAXES

Equalized Value

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

Assessed Value

The "assessed value" of taxable property in a municipality is determined by the local assessor, except for manufacturing properties which are valued by the State. Each city, village or town retains its own local assessor, who must be certified by the State Department of Revenue. Assessed value is used by these municipalities to determine tax levy mill rates and to apportion levies among individual property owners. Beginning in 1986, the State required that the assessed values must be within 10% of State equalized values at least once every five years. The local assessor values property as of January 1 each year and submits those values to each municipality the second Monday in May. The assessor also reports any value changes taking place since the previous year, to the Department of Revenue, by this same date.

CURRENT PROPERTY VALUATIONS

2014 Equalized Value	\$575,488,500
2014 Equalized Value Reduced by Tax Increment Valuation	\$540,113,700
2014 Assessed Value	\$583,152,300

2014 EQUALIZED VALUE BY CLASSIFICATION

	2014 Equalized Value	Percent of Total Equalized Value
Residential	\$ 378,393,800	65.752%
Commercial	143,071,500	24.861%
Manufacturing	30,100,300	5.230%
Agricultural	286,500	0.050%
Agricultural Forest	104,000	0.018%
Undeveloped	253,500	0.044%
Forest	34,000	0.006%
Other	578,800	0.101%
Personal Property	22,666,100	3.939%
Total	<u>\$ 575,488,500</u>	<u>100.000%</u>

TREND OF VALUATIONS

Year	Assessed Value	Equalized Value	Percent Increase/Decrease in Equalized Value
2010	\$588,850,700	\$598,092,700	- 7.64%
2011	585,556,500	574,010,600	- 4.03%
2012	587,058,000	549,022,900	- 4.35%
2013	585,295,970	554,028,300	+ 0.91%
2014	583,152,300	575,488,500	+ 3.87%

Source: Wisconsin Department of Revenue, Bureau of Equalization.

LARGER TAXPAYERS

Taxpayer	Type of Business/Property	2014 Estimated Equalized Value¹	Percent of City's Total Estimated Equalized Value
Walmart	Retail	\$11,197,680	1.95%
Lakeside Foods	Food Processor	4,547,688	0.79%
Federal Foam Technologies	Manufacturer	4,016,956	0.70%
Pit Hog Properties II, LLC	Manufacturer	3,666,079	0.64%
St. Croix Press, Inc.	Printing Company	3,589,597	0.62%
Phillips Plastics	Manufacturer	3,571,785	0.62%
Westfields Hospital	Hospital	3,380,778	0.59%
Skoglund Properties	Real Estate	3,152,814	0.55%
Bosch Packaging	Packaging Technology	3,077,615	0.53%
Derrick Development	Commercial	2,960,870	0.51%
Total		\$43,161,863	7.50%
City's Total 2014 Equalized Value		\$575,488,500	

¹ Estimated by dividing the assessed values by the ratio of assessed to equalized value for the City.

DEBT

DIRECT DEBT¹

General Obligation Debt (see schedules following)

Total General Obligation Debt (includes the Series 2015A Bonds of this offering)	<u><u>\$17,385,317</u></u>
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Revenue Debt (see schedules following)

Total revenue debt secured by electric revenues (see schedule on page 8) (the Series 2015B Bonds of this offering)	<u><u>\$1,800,000</u></u>
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Total revenue debt secured by water and sewer revenues	<u><u>\$2,578,469</u></u>
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¹ Outstanding debt is as of the dated date of the Bonds.

CITY OF NEW RICHMOND, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of 8/26/15)

Fiscal Year Ending	Corporate Purpose 1) Series 2006A		Corporate Purpose 2) Series 2007A		Land Recycling Loan 5069-01		Corporate Purpose 3) Series 2008A		Promissory Notes Series 2008B	
	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity	Dated Amount	Maturity
2015	265,000	10/01	160,000	4/10/07	0	2/27/08	375,000	5/01/08	40,000	5/01/08
2016			340,000	4/10/07	42,405	\$803,462	340,000	5/01/08	55,000	\$390,000
2017			315,000	12/01	42,405	5/01	355,000	10/01	55,000	4/01 & 10/01
2018			355,000		42,405		325,000		55,000	Final Maturity 4/01
2019			345,000		42,405		370,000		55,000	
2020			255,000		45,578		405,000			
2021			270,000		35,633		100,000			
2022			275,000		25,103		100,000			
2023			115,000		14,378		100,000			
2024			120,000		9,720		100,000			
2025			60,000		4,860		100,000			
2026			60,000		2,430		100,000			
2027							105,000			
2028										
2029										
2030										
	265,000	76,981	2,670,000	504,483	508,859	0	2,875,000	493,275	205,000	14,643

- 1) This issue refunded a portion of the \$2,300,000 General Obligation Promissory Notes, Series 2005B, dated November 18, 2005.
- 2) A portion of this issue refunded the 2007 through 2010 maturities of the City's \$1,345,000 General Obligation Promissory Notes, Series 2000, dated July 1, 2000; and the 2007 maturity of the City's \$2,300,000 General Obligation Promissory Note of 2005, dated November 18, 2005.
- 3) This issue refunded the 2008 through 2015 maturities of the City's \$2,065,000 General Obligation Refunding Bonds, Series 1998, dated July 28, 1998 and the 2008 through 2011 maturities of the City's \$3,015,000 General Obligation Promissory Notes, Series 2001, dated July 5, 2001.

CITY OF NEW RICHMOND, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of 8/26/15)

Fiscal Year Ending	Prom Notes Series 2009A		WPPI Note		Taxable Refunding 4) Series 2011A		Corporate Purpose 5) Series 2011B		Refunding 6) Series 2012A		State Trust 7) Fund Loan	
	Dated Amount	Maturity	7/28/11 \$163,616	8/24/11 \$1,150,000	9/14/11 \$3,545,000	7/03/12 \$3,125,000	12/14/12 \$404,000					
	9/02/09 \$2,420,000	10/01 Final Maturity 4/01	Monthly Payment Final Payment 6/28/21	3/01	12/01	3/01	3/15					
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest
2015	100,000	14,338	6,817	0	210,000	32,611	0	21,534	0	0	0	0
2016	210,000	26,075	16,362	60,000	285,000	62,283	105,000	42,018	47,000	9,820	48,000	9,820
2017	210,000	19,985	16,362	65,000	295,000	57,153	110,000	39,868	48,000	8,554	50,000	8,554
2018	185,000	13,475	16,362	65,000	305,000	51,253	110,000	37,668	50,000	7,234	51,000	7,234
2019	205,000	3,639	16,362	70,000	315,000	45,153	115,000	35,418	51,000	5,859	53,000	5,859
2020			16,362	70,000	325,000	38,065	115,000	33,118	53,000	4,469	55,000	4,469
2021			8,180	70,000	330,000	29,940	115,000	30,818	54,000	2,999	55,061	2,999
2022				75,000	340,000	20,700	125,000	28,418	55,061	1,514		
2023				80,000	350,000	10,500	120,000	25,848				
2024				85,000			125,000	23,153				
2025				85,000			130,000	20,185				
2026				90,000			130,000	17,000				
2027				95,000			135,000	13,619				
2028							140,000	9,975				
2029							140,000	6,160				
2030							150,000	2,100				
	910,000	77,511	96,806	910,000	2,755,000	347,656	1,865,000	386,895	358,061	40,449		

- 4) This issue refunded the 2012 through 2027 maturities of the City's \$1,200,000 State Trust Fund Loan, dated December 20, 2007.
- 5) This issue refunded the 2012 through 2014 maturities of the City's \$3,620,000 General Obligation Promissory Notes, Series 2004A, dated August 25, 2004.
- 6) This issue refunded the 2013 through 2015 maturities of the City's \$2,055,000 General Obligation Promissory Notes, Series 2005A, dated May 3, 2005; the 2013 through 2030 maturities of the \$1,218,000 State Trust Fund Loan (Build America Bonds), dated March 25, 2010; and the 2013 through 2030 maturities of the \$1,069,000 State Trust Fund Loan (Build America Bonds), dated June 24, 2010.
- 7) This issue refunded the 2013 through 2015 maturities of the City's \$400,000 General Obligation Promissory Note of 2011, dated December 15, 2011.

CITY OF NEW RICHMOND, WISCONSIN
Schedule of Bonded Indebtedness
General Obligation Debt
(As of 8/26/15)

Fiscal Year Ending	State Trust 8) Fund Loan		State Trust Fund Loan		State Trust Fund Loan		State Trust Fund Loan		(This Issue Refunding 9) Series 2015A		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
	Dated Amount	Maturity	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest						
2015											1,156,817	271,203	1,428,020	16,228,500	6.65%	2015
2016	26,498	3/15	0	0	0	0	0	0	315,000	81,011	1,868,963	463,032	2,331,996	14,359,537	17.40%	2016
2017	27,211	3/15	1,375	332	25,325	6,118	26,004	5,438	320,000	70,525	1,886,393	407,551	2,293,945	12,473,143	28.25%	2017
2018	27,959	3/15	1,450	295	26,719	4,723	26,719	4,723	325,000	66,205	1,889,896	356,234	2,246,130	10,583,248	39.13%	2018
2019	28,728	3/15	1,490	216	27,454	3,988	27,454	3,988	340,000	60,843	1,927,439	301,607	2,229,046	8,655,808	50.21%	2019
2020	29,512	3/15	1,531	176	28,200	3,242	28,200	3,242	340,000	54,383	1,681,009	250,742	1,931,751	6,974,799	59.88%	2020
2021	30,330	3/15	1,573	133	28,985	2,458	28,985	2,458	355,000	47,413	1,405,473	203,592	1,609,065	5,569,326	67.97%	2021
2022	31,170	3/15	1,617	90	29,782	1,661	29,782	1,661	365,000	39,603	1,440,034	163,707	1,603,741	4,129,292	76.25%	2022
2023			1,661	46	30,606	842	30,606	842	380,000	31,025	1,219,673	121,325	1,340,997	2,909,620	83.26%	2023
2024									390,000	21,335	862,405	85,483	947,887	2,047,215	88.22%	2024
2025									400,000	11,000	817,405	59,336	876,741	1,229,810	92.93%	2025
2026											422,405	34,455	456,860	807,405	95.36%	2026
2027											377,405	20,134	397,539	430,000	97.53%	2027
2028											140,000	9,975	149,975	290,000	98.33%	2028
2029											140,000	6,160	146,160	150,000	99.14%	2029
2030											150,000	2,100	152,100	0	100.00%	2030
			201,408	22,746	12,109	1,545	223,075	28,469	3,530,000	483,341	17,385,317	2,756,635	20,141,953			

8) This issue refunded the 2013 through 2026 maturities of the City's \$200,000 State Trust Fund Loan of 2006, dated May 18, 2006 and the 2013 through 2027 maturities of the City's \$300,000 State Trust Fund Loan of 2007, dated December 7, 2007.

9) This issue is refunding the 2016 through 2025 maturities of the City's \$4,545,000 General Obligation Corporate Purpose Bonds, Series 2006A, dated May 9, 2006. The refunded maturities will be called for prior redemption on October 1, 2015, and have not been included in the calculation of debt ratios.

CITY OF NEW RICHMOND, WISCONSIN
Schedule of Bonded Indebtedness
Revenue Debt Secured by Water and Sewer Revenues
(As of 8/26/15)

Clean Water Fund 1) Water & Sewer
4077-02 Series 2007B

Fiscal Year Ending	5/27/98 \$2,706,340		4/10/07 \$2,865,000		Total Principal	Total Interest	Total P & I	Principal Outstanding	% Paid	Fiscal Year Ending
	Principal	Interest	Principal	Interest						
2015	0	6,646	0	40,587	0	47,233	47,233	2,578,469	0.00%	2015
2016	163,469	11,134	130,000	78,736	293,469	89,870	383,339	2,284,999	11.38%	2016
2017	167,785	6,761	140,000	73,639	307,785	80,400	388,185	1,977,214	23.32%	2017
2018	172,214	2,273	145,000	68,224	317,214	70,497	387,711	1,660,000	35.62%	2018
2019			150,000	62,619	150,000	62,619	212,619	1,510,000	41.44%	2019
2020			160,000	56,669	160,000	56,669	216,669	1,350,000	47.64%	2020
2021			170,000	50,275	170,000	50,275	220,275	1,180,000	54.24%	2021
2022			175,000	43,591	175,000	43,591	218,591	1,005,000	61.02%	2022
2023			180,000	36,600	180,000	36,600	216,600	825,000	68.00%	2023
2024			195,000	29,100	195,000	29,100	224,100	630,000	75.57%	2024
2025			200,000	21,200	200,000	21,200	221,200	430,000	83.32%	2025
2026			215,000	12,900	215,000	12,900	227,900	215,000	91.66%	2026
2027			215,000	4,300	215,000	4,300	219,300	0	100.00%	2027
	503,469	26,814	2,075,000	578,439	2,578,469	605,253	3,183,722			

1) A loan in the amount of \$2,823,953 has been approved by the State of Wisconsin Environmental Improvement Fund. To date the amount disbursed is \$2,706,340.11.

DEBT LIMIT

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

Equalized Value	\$575,488,500
Multiply by 5%	<u>0.05</u>
Statutory Debt Limit	\$ 28,774,425
Less: General Obligation Debt	<u>(17,385,317)</u>
Unused Debt Limit	<u><u>\$ 11,389,108</u></u>

OVERLAPPING DEBT¹

Taxing District	2014 Equalized Value	% In City	Total G.O. Debt	City's Proportionate Share
St. Croix County	\$ 7,591,908,200	7.5803%	\$ 12,110,000	\$ 917,973
New Richmond School District	1,213,301,404	47.4316%	77,905,000	36,951,603
Wisconsin Indianhead Technical College	31,348,602,106	1.8358%	30,390,000	<u>557,891</u>
City's Share of Total Overlapping Debt				<u><u>\$ 38,427,466</u></u>

¹ Only those taxing jurisdictions with general obligation debt outstanding are included in this section.

DEBT RATIOS

	G.O. Debt	Debt/Equalized Value \$575,488,500	Debt/ Per Capita 8,616 ¹
Total General Obligation Debt	\$ 17,385,317	3.02%	\$ 2,017.79
City's Share of Total Overlapping Debt	<u>38,427,466</u>	<u>6.68%</u>	<u>4,460.01</u>
Total	\$ 55,812,783	9.70%	\$ 6,477.81

DEBT PAYMENT HISTORY

The City has never defaulted in the payment of principal and interest on its debt.

FUTURE FINANCING

The City plans to issue a State Trust Fund Loan (approximately \$450,000) for projects related to Tax Increment District No. 10 in the next six months. A second State Trust Fund Loan (approximately \$605,000) is anticipated in the next six months, to provide interim financing for the 2015 Street Projects, a Fire Truck purchase, Civic Center Boilers and 2016 Street Project Designs.

¹ Estimated 2014 population.

TAX LEVIES AND COLLECTIONS

TAX LEVIES AND COLLECTIONS

Tax Year	Levy for City Purposes Only	% Collected	Levy/Equalized Value Reduced by Tax Increment Valuation in Dollars per \$1,000
2010/11	\$4,604,573	100%	\$8.17
2011/12	4,576,809	100%	8.42
2012/13	4,485,097	100%	8.63
2013/14	4,441,681	100%	8.51
2014/15	4,552,671	[In Process]	8.42

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

Personal property taxes, special assessments, special charges and special taxes must be paid to the town, city or village treasurer in full by January 31, unless the municipality, by ordinance, permits special assessments to be paid in installments. Real property taxes must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan which permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the town, city or village treasurer. Amounts paid after January 31, are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case payment is made to the town, city or village treasurer. On or before January 15 and February 20 the town, city or village treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities which have authorized the payment of real property taxes in three or more installments, the town, city or village treasurer settles with the other taxing jurisdictions on January 15, February 20 and on the fifteenth day of each month following the month in which an installment payment is required. On or before August 20, the county treasurer must settle in full with the underlying taxing districts for all real property taxes and special taxes. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may then recover any tax delinquencies by enforcing the lien on the property and retain any penalties or interest on the delinquencies for which it has settled. Uncollected personal property taxes owed by an entity that has ceased operations or filed a petition for bankruptcy, or are due on personal property that has been removed from the next assessment roll are collected from each taxing entity in the year following the levy year.

PROPERTY TAX RATES

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

Year Levied/ Year Collected	Schools¹	County	Local	Other²	Total Full Value Effective Rate³
2010/11	\$12.84	\$3.53	\$8.17	\$0.18	\$23.02
2011/12	13.23	3.70	8.42	0.18	23.75
2012/13	13.90	3.92	8.63	0.18	24.72
2013/14	12.83	3.83	8.51	0.18	23.44
2014/15	11.98	3.81	8.43	0.18	22.97

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

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

² Includes the state reforestation tax which is apportioned to each county on the basis of its full value. Counties, in turn, apportion the tax to the tax districts within their borders on the basis of full value. It also includes taxes levied for special purpose districts such as metropolitan sewerage districts, sanitary districts, and public inland lake protection districts. Tax increment values are not included.

³ Property tax less state property tax credit (not including lottery credit).

LEVY LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns and counties. No city, village, town or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision's January 1 equalized value due to new construction less improvements removed or zero percent). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

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

Special provisions are made with respect to property taxes levied to pay general obligation debt service. Those are described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

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

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

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

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

THE ISSUER

CITY GOVERNMENT

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

EMPLOYEES; PENSIONS

The City has 63 full-time, 19 part-time and 13 seasonal employees. All eligible City employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees, initially employed by a participating WRS employer prior to July 1, 2011, expected to work at least 600 hours a year (440 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. 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 (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS. Employees hired to work nine or ten months per year, (e.g. teachers contracts), but expected to return year after year are considered to have met the one-year requirement.

Prior to June 29, 2011, covered employees in the General/Teacher/Educational Support Personnel category were required by statute to contribute 6.5% of their salary (3.9% for Executives and Elected Officials, 5.8% for Protective Occupations with Social Security, and 4.8% for Protective Occupations without Social Security) to the plan. Employers could make these contributions to the plan on behalf of employees. Employers were required to contribute an actuarially determined amount necessary to fund the remaining projected cost of future benefits.

Effective the first day of the first pay period on or after June 29, 2011 the employee required contribution was changed to one-half of the actuarially determined contribution rate for General category employees, including Teachers, 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. Contribution rate are as follows:

	<u>2014</u>	
	<u>Employee</u>	<u>Employer</u>
General (including Teachers)	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for City employees covered by the WRS for the year ended December 31, 2014 was \$4,111,276; the employer's total payroll was \$4,413,561. The total required contribution for the year ended December 31, 2014 was \$645,175 or 15.7% of covered payroll. Of this amount, 100% was contributed for the current year.

Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and, after significant changes were made to the law in 2011, very limited rights to collectively bargain with municipal employers. MERA was amended by 2011 Wisconsin Act 10 (the "Act") and by 2011 Wisconsin Act 32.

As a result of the 2011 amendments to MERA, the City is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing the base wages only by any increase in the previous year's consumer price index (unless the City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

The following bargaining units represent employees of the City:

Bargaining Unit	Expiration Date of Current Contract
Labor Association of Wisconsin	Replaced with WPPA
International Brotherhood of Electrical Workers	N/A
General Teamsters	N/A
WI Professional Police Association (effective 1/1/2013)	December 31, 2015

Status of Contracts

The contracts of the International Brotherhood of Electrical Workers and General Teamsters expired and were not renewed.

LIABILITIES FOR OTHER POST EMPLOYMENT BENEFITS

The City does not provide post employment benefits.

LITIGATION

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

FUNDS ON HAND (as of June 30, 2015)

Fund	Total Cash and Investments
City - Cash on Hand	\$309,237
General City Investments	2,526,734
Restricted City Investments	922,646
Revolving Loan Fund	26,558
Capital Projects - Investments	18,719
Landfill Cleanup - Investments	30,342
Park Land Trust - Restricted Investments	45,094
Library Trust - Restricted Investments	209,204
Flex Benefits - Restricted Cash	18,175
Armed Services Memorial - Restricted Investments	3,400
Utility - Cash on Hand	383,884
Utility Investments	<u>7,086,185</u>
Total Funds on Hand	<u>\$11,580,180</u>

ENTERPRISE FUNDS

Cash flows for the City's enterprise funds have been as follows as of December 31 each year:

	2012	2013	2014
Water			
Total Operating Revenues	\$ 1,303,927	\$ 1,337,847	\$ 1,364,804
Less: Operating Expenses	<u>(1,334,797)</u>	<u>(973,536)</u>	<u>(1,082,973)</u>
Operating Income	\$ (30,870)	\$ 364,311	\$ 281,831
Plus: Depreciation	297,908	299,529	303,025
Interest Income/Loss	<u>10,145</u>	<u>(2,760)</u>	<u>13,408</u>
Revenues Available for Debt Service	<u>\$ 277,183</u>	<u>\$ 661,080</u>	<u>\$ 598,264</u>
Sewer			
Total Operating Revenues	\$ 1,454,668	\$ 1,474,437	\$ 1,431,198
Less: Operating Expenses	<u>(1,590,477)</u>	<u>(1,606,091)</u>	<u>(1,651,835)</u>
Operating Income	\$ (135,809)	\$ (131,654)	\$ (220,637)
Plus: Depreciation	523,908	32,676	536,909
Interest Income/Loss	<u>27,311</u>	<u>(7,461)</u>	<u>28,217</u>
Revenues Available for Debt Service	<u>\$ 415,410</u>	<u>\$ (106,439)</u>	<u>\$ 344,489</u>
Electric			
Total Operating Revenues	\$ 9,550,450	\$ 9,668,644	\$ 9,746,313
Less: Operating Expenses	<u>(9,231,926)</u>	<u>(9,300,212)</u>	<u>(9,236,596)</u>
Operating Income	\$ 318,524	\$ 368,432	\$ 509,717
Plus: Depreciation	551,191	558,339	562,543
Interest Income/Loss	<u>3,555</u>	<u>(476)</u>	<u>4,757</u>
Revenues Available for Debt Service	<u>\$ 873,270</u>	<u>\$ 926,295</u>	<u>\$ 1,077,017</u>

SUMMARY GENERAL FUND INFORMATION

Following are summaries of the revenues and expenditures and fund balances for the City's General Fund for the fiscal years shown below. These summaries are not purported to be the complete audited financial statements of the City. Copies of the complete audited financial statements are available upon request. See Appendix A for excerpts from the City's 2014 audited financial statements.

COMBINED STATEMENT	FISCAL YEAR ENDING DECEMBER 31				
	2010	2011	2012	2013	2014
Revenues					
Taxes	\$ 3,112,644	\$ 3,051,176	\$ 3,104,500	\$ 3,012,973	\$ 3,020,701
Intergovernmental	1,751,749	1,761,064	1,664,938	1,741,671	1,640,460
Licenses and permits	215,788	163,452	236,867	151,467	216,775
Fines, forfeitures and penalties	98,387	87,386	95,282	88,265	84,514
Public charges for services	192,576	201,277	225,045	226,287	241,581
Intergovernmental charges for services	33,659	32,068	26,999	24,113	23,234
Special assessments	30,206	25,342	11,750	3,196	3,196
Investment income (loss)	75,078	122,377	73,317	(41,677)	81,665
Miscellaneous	131,888	191,691	141,951	183,215	142,752
Total Revenues	\$ 5,641,975	\$ 5,635,833	\$ 5,580,649	\$ 5,389,510	\$ 5,454,878
Expenditures					
Current:					
General government	\$ 1,357,743	\$ 1,304,832	\$ 1,264,963	\$ 1,170,162	\$ 1,205,458
Public safety	1,963,902	1,998,623	2,053,893	2,182,154	2,116,391
Public works	1,369,257	1,324,314	1,251,696	1,285,000	1,211,589
Health and human services	11,206	11,787	12,565	12,341	11,741
Leisure activities	1,230,192	1,310,943	1,285,509	1,208,112	1,095,822
Conservation and development	132,910	146,449	142,164	167,342	115,576
Capital outlay	49,803	11,260	114,512	92,717	69,755
Total Expenditures	\$ 6,115,013	\$ 6,108,208	\$ 6,125,302	\$ 6,117,828	\$ 5,826,332
Excess of revenues over (under) expenditures	\$ (473,038)	\$ (472,375)	\$ (544,653)	\$ (728,318)	\$ (371,454)
Other Financing Sources (Uses)					
Transfer in	479,492	514,387	549,207	625,524	510,413
Transfer out	0	(24,884)	(16,743)	(245,281)	(16,477)
Total Other Financing Sources (Uses)	\$ 479,492	\$ 489,503	\$ 532,464	\$ 380,243	\$ 493,936
Excess of revenues and other financing sources over (under) expenditures and other financing uses	\$ 6,454	\$ 17,128	\$ (12,189)	\$ (348,075)	\$ 122,482
General Fund Balance January 1	2,023,170	2,029,624	2,046,752	2,034,563	1,686,488
General Fund Balance December 31	\$ 2,029,624	\$ 2,046,752	\$ 2,034,563	\$ 1,686,488	\$ 1,808,970
DETAILS OF DECEMBER 31 FUND BALANCE					
Reserved	\$ 135,297	\$ 0	\$ 0	\$ 0	\$ 0
Unreserved:					
Designated	11,709	0	0	0	0
Undesignated	1,882,618	0	0	0	0
Nonspendable	0	262,321	112,290	89,930	92,891
Restricted	0	0	0	0	0
Committed	0	0	0	0	0
Assigned	0	8,033	22,897	31,452	34,146
Unassigned	0	1,776,398	1,899,376	1,565,106	1,681,933
Total	\$ 2,029,624	\$ 2,046,752	\$ 2,034,563	\$ 1,686,488	\$ 1,808,970

GENERAL INFORMATION

LOCATION

The City of New Richmond, with a 2010 U.S. Census population of 8,254 and a current estimated population of 8,616, comprises an area of 5.75 square miles or acres and is located approximately 40 miles east of the Minneapolis-St. Paul metropolitan area. For additional information regarding the City, please visit its website at www.newrichmondwi.gov.

LARGER EMPLOYERS

Larger employers in the City include the following:

Firm	Type of Business/Product	Estimated No. of Employees
School District of New Richmond	Elementary and secondary education	485
Westfields Hospital	Hospital	364
St. Croix County ¹	County government and services	302
Phillips Medisize ²	Manufacture plastic products	282
Wal-Mart	Retail	247
Bosch Packaging Technologies	Manufacture packaging equipment	237
Federal Foam Technologies, Inc.	Manufacture polyurethane foam	157
Wisconsin Indianhead Technical College	Regional technical college	125
Liquid Waste Technology	Manufacture dredging equipment	70
St. Croix Press	Commercial printing	69

Source: *City of New Richmond, ReferenceUSA, written and telephone survey (May 2015), Wisconsin Manufacturers Register, and the Wisconsin Department of Workforce Development.*

¹ Includes employees at St. Croix Health Center.

² Formerly listed as Phillips Plastics Corporation.

BUILDING PERMITS

	2011	2012	2013	2014	2015 ¹
<u>No. of All Building Permits</u> <i>(including additions and remodelings)</i>	175	267	202	230	124
<u>Valuation of All Building Permits</u> <i>(including additions and remodelings)</i>	\$15,174,089	\$22,463,297	\$6,061,709	\$24,273,237	\$5,730,310
<u>New Single Family Homes</u>					
No. of building permits	14	62	7	11	7
Valuation	\$1,329,000	\$7,082,900	\$1,032,500	\$1,933,526	\$979,000
<u>New Multiple Family Buildings</u>					
No. of building permits	1	11	0	5	4
No. of units	2	28	0	56	8
Valuation	\$180,000	\$2,585,000	\$0	\$4,495,000	\$1,158,000
<u>New Commercial/Industrial Buildings</u>					
No. of building permits	5	4	6	5	3
Valuation	\$1,520,533	\$3,166,283	\$1,435,160	\$2,603,000	\$1,310,000

¹ As of June 30, 2015.

U.S. CENSUS DATA

Population Trend: City of New Richmond

2000 U.S. Census	6,310
2010 U.S. Census	8,254
2014 Estimated Population	8,616
Percent of Change 2000 - 2010	+ 30.81%

Income and Age Statistics

	City of New Richmond	St. Croix County	State of Wisconsin	United States
2013 per capita income	\$24,989	\$32,220	\$27,523	\$28,155
2013 median household income	\$45,735	\$68,426	\$52,413	\$53,046
2013 median family income	\$68,457	\$80,740	\$66,534	\$64,719
2013 median gross rent	\$783	\$860	\$759	\$904
2013 median value owner occupied units	\$144,600	\$206,900	\$167,100	\$176,700
2013 median age	33.4 yrs.	37.1 yrs.	38.7 yrs.	37.3 yrs.

	State of Wisconsin	United States
City % of 2013 per capita income	90.79%	88.76%
City % of 2013 median family income	102.89%	105.78%

Housing Statistics

	<u>City of New Richmond</u>		
	2000	2013	Percent of Change
All Housing Units	2,657	3,462	30.30%

Source: 2000 and 2010 Census of Population and Housing, and 2013 American Community Survey, U.S. Census Bureau (www.factfinder2.census.gov).

EMPLOYMENT/UNEMPLOYMENT DATA

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

Year	<u>Average Employment</u>		<u>Average Unemployment</u>	
	St. Croix County	St. Croix County	St. Croix County	State of Wisconsin
2011	44,460	6.0%	6.0%	7.8%
2012	44,821	5.4%	5.4%	7.0%
2013	45,463	4.8%	4.8%	6.8%
2014	46,321	4.5%	4.5%	5.5%
2015, April	46,468	3.5%	3.5%	4.4%

Source: Wisconsin Department of Workforce Development.

EXCERPTS FROM FINANCIAL STATEMENTS

Reproduced on the following pages are excerpts from the City's audited Financial Statements for the fiscal year ending December 31, 2014. The Financial Statements have been prepared by the City and audited by a certified public accountant. The Management's Discussion and Analysis and the Notes to Financial Statements are an integral part of the audit and any judgment of the Financial Statements should be based on the Financial Statements as a whole.

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

INDEPENDENT AUDITORS' REPORT

To the City Council
City of New Richmond
New Richmond, 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 remaining fund information of the City of New Richmond, Wisconsin, as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City of New Richmond's 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 New Richmond's 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 New Richmond's 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 New Richmond

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 remaining fund information of the City of New Richmond, Wisconsin, as of December 31, 2014 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison information and schedule of funding progress 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinions on the basic financial statements are not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of New Richmond's basic financial statements. The combining financial statements, detailed budgetary comparison schedules, and rate of return schedule 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 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 combining financial statements, detailed budgetary comparison schedules, and rate of return schedule are fairly stated in all material respects, in relation to the basic financial statements as a whole.

Baker Tilly Vichow Krause, LLP

June 25, 2015

CITY OF NEW RICHMOND

STATEMENT OF NET POSITION As of December 31, 2014

	Governmental Activities	Business-type Activities	Totals
ASSETS			
Cash and investments	\$ 2,743,022	\$ 6,247,981	\$ 8,991,003
Receivables			
Taxes receivable	5,470,780	-	5,470,780
Special assessments	68,358	-	68,358
Notes receivable	1,359,695	53,159	1,412,854
Other receivables	120,557	1,813,405	1,933,962
Due from other governmental units	188,027	-	188,027
Internal balances	72,779	(72,779)	-
Inventories and prepaid items	-	211,266	211,266
Restricted cash and investments	346,283	1,404,628	1,750,911
Capital Assets			
Construction in progress	111,684	61,814	173,498
Land	6,567,600	106,146	6,673,746
Other capital assets, net of depreciation	34,705,493	27,444,043	62,149,536
Total Assets	<u>51,754,278</u>	<u>37,269,663</u>	<u>89,023,941</u>
LIABILITIES			
Accounts payable	295,757	776,883	1,072,640
Accrued liabilities	282,062	94,781	376,843
Customer deposits	-	67,621	67,621
Due to other taxing units	6,297	-	6,297
Noncurrent Liabilities			
Due within one year	2,173,126	562,342	2,735,468
Due in more than one year	16,954,240	4,771,375	21,725,615
Total Liabilities	<u>19,711,482</u>	<u>6,273,002</u>	<u>25,984,484</u>
DEFERRED INFLOWS OF RESOURCES			
Unearned revenue	5,423,669	2,100	5,425,769
Total Deferred Inflows of Resources	<u>5,423,669</u>	<u>2,100</u>	<u>5,425,769</u>
NET POSITION			
Net investment in capital assets	25,668,169	23,258,766	48,548,411
Restricted for			
Debt service	-	210,901	210,901
Library projects	200,864	-	200,864
Park land projects	57,826	-	57,826
Impact fees	346,283	382,912	729,195
TIF district projects	433,491	-	433,491
CDBG revolving housing loan program	342,529	-	342,529
Equipment replacement	-	350,406	350,406
Unrestricted (deficit)	<u>(430,035)</u>	<u>6,791,576</u>	<u>6,740,065</u>
TOTAL NET POSITION	<u>\$ 26,619,127</u>	<u>\$ 30,994,561</u>	<u>\$ 57,613,688</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2014

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental Activities				
General government	\$ 1,319,893	\$ 281,396	\$ -	\$ -
Public safety	2,311,457	19,622	77,689	273,388
Public works	2,523,170	347,304	730,012	32,567
Health and human services	11,741	-	-	-
Leisure activities	1,319,574	182,378	368,251	217,699
Conservation and development	435,288	-	-	2,473
Interest and fiscal charges	<u>578,475</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Governmental Activities	<u>8,499,598</u>	<u>830,700</u>	<u>1,175,952</u>	<u>526,127</u>
Business-type Activities				
Electric Utility	9,337,203	9,746,313	-	44,507
Water Utility	1,151,202	1,364,804	-	76,230
Sewer Utility	<u>1,691,409</u>	<u>1,431,198</u>	<u>-</u>	<u>236,340</u>
Total Business-type Activities	<u>12,179,814</u>	<u>12,542,315</u>	<u>-</u>	<u>357,077</u>
Totals	<u>\$ 20,679,412</u>	<u>\$ 13,373,015</u>	<u>\$ 1,175,952</u>	<u>\$ 883,204</u>

General Revenues

Taxes

 Property taxes, levied for general services

 Property taxes, levied for debt service

 Property taxes, tax increment

 Other taxes

Intergovernmental revenues not restricted to specific programs

Investment income

Miscellaneous

Total General Revenues

Transfers

Total General Revenues and Transfers

Change in net position

NET POSITION - Beginning of Year

NET POSITION - END OF YEAR

See accompanying notes to financial statements

Net (Expenses) Revenues and Changes in Net Position

<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Totals</u>
\$ (1,038,497)	\$ -	\$ (1,038,497)
(1,940,758)	-	(1,940,758)
(1,413,287)	-	(1,413,287)
(11,741)	-	(11,741)
(551,246)	-	(551,246)
(432,815)	-	(432,815)
(578,475)	-	(578,475)
<u>(5,966,819)</u>	<u>-</u>	<u>(5,966,819)</u>
-	453,617	453,617
-	289,832	289,832
-	(23,871)	(23,871)
-	<u>719,578</u>	<u>719,578</u>
<u>(5,966,819)</u>	<u>719,578</u>	<u>(5,247,241)</u>
2,905,268	-	2,905,268
1,536,414	-	1,536,414
807,038	-	807,038
115,433	-	115,433
716,904	-	716,904
105,775	46,382	152,157
122,681	-	122,681
6,309,513	46,382	6,355,895
<u>471,072</u>	<u>(471,072)</u>	<u>-</u>
<u>6,780,585</u>	<u>(424,690)</u>	<u>6,355,895</u>
813,766	294,888	1,108,654
<u>25,805,361</u>	<u>30,699,673</u>	<u>56,505,034</u>
<u>\$ 26,619,127</u>	<u>\$ 30,994,561</u>	<u>\$ 57,613,688</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

BALANCE SHEET GOVERNMENTAL FUNDS As of December 31, 2014

	General Fund	General Debt Service	Capital Projects
ASSETS			
Cash and investments	\$ 1,490,417	\$ -	\$ 146,112
Restricted cash and investments	-	-	-
Receivables			
Taxes	2,929,387	1,532,420	-
Delinquent personal property taxes	34,559	-	-
Accounts	102,899	-	17,635
Notes	18,659	970,000	39,552
Special assessments	46,733	-	-
Due from other governmental units	44,616	13,444	117,029
Due from other funds	442,352	-	-
Advances to other funds	77,316	-	-
	<u>\$ 5,186,938</u>	<u>\$ 2,515,864</u>	<u>\$ 320,328</u>
TOTAL ASSETS			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities			
Accounts payable	\$ 225,202	\$ -	\$ 51,294
Accrued liabilities	142,152	-	-
Due to other taxing units	6,297	-	-
Due to other funds	27,041	18	306,062
Advances from other funds	-	-	-
Total Liabilities	<u>400,692</u>	<u>18</u>	<u>357,356</u>
Deferred Inflows of Resources			
Unearned revenues	2,925,485	1,532,420	-
Unavailable revenues	51,791	983,444	70,239
Total Deferred Inflows of Resources	<u>2,977,276</u>	<u>2,515,864</u>	<u>70,239</u>
Fund Balances (Deficit)			
Nonspendable	92,891	-	-
Restricted	-	-	-
Committed	-	-	-
Assigned	34,146	-	-
Unassigned (deficit)	1,681,933	(18)	(107,267)
Total Fund Balances (Deficit)	<u>1,808,970</u>	<u>(18)</u>	<u>(107,267)</u>
	<u>\$ 5,186,938</u>	<u>\$ 2,515,864</u>	<u>\$ 320,328</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 1,106,493	\$ 2,743,022
346,283	346,283
974,414	5,436,221
-	34,559
23	120,557
331,484	1,359,695
21,625	68,358
12,938	188,027
43,723	486,075
-	77,316
<u>\$ 2,836,983</u>	<u>\$ 10,860,113</u>

\$ 19,261	\$ 295,757
2,530	144,682
-	6,297
80,175	413,296
77,316	77,316
<u>179,282</u>	<u>937,348</u>

965,764	5,423,669
374,104	1,479,578
<u>1,339,868</u>	<u>6,903,247</u>

-	92,891
1,060,085	1,060,085
388,961	388,961
-	34,146
(131,213)	1,443,435
<u>1,317,833</u>	<u>3,019,518</u>

<u>\$ 2,836,983</u>	<u>\$ 10,860,113</u>
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See accompanying notes to financial statements.

CITY OF NEW RICHMOND

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION As of December 31, 2014

Total Fund Balances - Governmental Funds	\$ 3,019,518
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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	6,567,600
Construction in progress	111,684
Other capital assets	52,132,660
Less: Accumulated depreciation	(17,427,167)

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.

Special assessments included in taxes receivable	12,552
Special assessments	33,708
Accounts receivable	17,147
Due from other governments	56,476
Loans receivable	1,359,695

Some liabilities, including long-term debt, are not due and payable in the current period and, therefore, are not reported in the funds.

General obligation debt	(18,005,411)
Accrued interest on general obligation debt	(137,380)
Compensated absences	(384,414)
Landfill long-term costs	(270,935)
Landfill remediation costs	(144,069)
Unfunded prior service service costs	(167,206)
Other postemployment benefits	<u>(155,331)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 26,619,127</u>
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See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS For the Year Ended December 31, 2014

	General Fund	General Debt Service	Capital Projects
REVENUES			
Taxes	\$ 3,020,701	\$ 1,536,414	\$ -
Intergovernmental	1,640,460	262,423	103,000
Licenses and permits	216,775	-	-
Fines, forfeitures and penalties	84,514	-	-
Public charges for services	241,581	-	-
Intergovernmental charges for services	23,234	-	-
Special assessments	3,196	-	-
Investment income	81,665	46,091	1,900
Miscellaneous	142,752	60,000	7,287
Total Revenues	5,454,878	1,904,928	112,187
EXPENDITURES			
Current			
General government	1,205,458	-	-
Public safety	2,116,391	-	-
Public works	1,211,589	-	-
Health and human services	11,741	-	-
Leisure activities	1,095,822	-	-
Conservation and development	115,576	-	-
Capital Outlay	69,755	-	434,610
Debt Service			
Principal	-	2,087,965	-
Interest and fiscal charges	-	635,479	-
Total Expenditures	5,826,332	2,723,444	434,610
Excess (deficiency) of revenues over expenditures	(371,454)	(818,516)	(322,423)
OTHER FINANCING SOURCES (USES)			
Transfers in	510,413	819,346	-
Transfers out	(16,477)	-	-
Property sales	-	-	-
Total Other Financing Sources (Uses)	493,936	819,346	-
Net Change in Fund Balances	122,482	830	(322,423)
FUND BALANCES (DEFICIT) - Beginning of Year	1,686,488	(848)	215,156
FUND BALANCES (DEFICIT) - END OF YEAR	\$ 1,808,970	\$ (18)	\$ (107,267)

See accompanying notes to financial statements.

Nonmajor Governmental Funds	Totals
\$ 807,038	\$ 5,364,153
14,901	2,020,784
-	216,775
-	84,514
275,930	517,511
-	23,234
7,208	10,404
16,569	146,225
<u>274,217</u>	<u>484,256</u>
<u>1,395,863</u>	<u>8,867,856</u>
-	1,205,458
-	2,116,391
246,118	1,457,707
-	11,741
29,609	1,125,431
26,165	141,741
235,223	739,588
-	2,087,965
<u>2,655</u>	<u>638,134</u>
<u>539,770</u>	<u>9,524,156</u>
<u>856,093</u>	<u>(656,300)</u>
495,440	1,825,199
(1,298,309)	(1,314,786)
<u>3,789</u>	<u>3,789</u>
<u>(799,080)</u>	<u>514,202</u>
57,013	(142,098)
<u>1,260,820</u>	<u>3,161,616</u>
<u>\$ 1,317,833</u>	<u>\$ 3,019,518</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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, 2014

Net change in fund balances - total governmental funds	\$	(142,098)
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Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of net position the cost of these assets is capitalized and they are depreciated over their estimated useful lives and reported as depreciation expense in the statement of activities.		
Capital outlay is capitalized in the government-wide statements	739,588	
Some capital outlay is not capitalized in the government-wide statements	(246,141)	
Some items reported as capital outlay were transferred to the business-type activities	(39,341)	
Some functional expenditures are capitalized in the government-wide statements	5,000	
Contributed capital assets are reported as revenues in the government-wide financial statements	347,346	
Depreciation is reported in the government-wide statements	(1,370,016)	
Loss on sale of capital assets is reported in the government-wide statements	(26,152)	
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.		
Special assessments	(10,916)	
Accounts receivable	3,701	
Due from other governments	(251,822)	
Loan receivable	(157,445)	
Debt issued provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
Principal repaid	2,087,965	
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.		
Change in compensated absences liability	(48,344)	
Change in accrued interest payable	21,356	
Change in unfunded prior service costs	21,432	
Change in landfill long-term liability	15,434	
Change in landfill remediation liability	19,550	
Change in other postemployment benefits	(155,331)	
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>813,766</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF NET POSITION PROPRIETARY FUNDS As of December 31, 2014

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
ASSETS				
Current Assets				
Cash and investments	\$ 1,643,464	\$ 1,904,884	\$ 2,699,633	\$ 6,247,981
Restricted cash - redemption account	67,199	143,871	36,448	247,518
Receivables				
Accounts	1,336,530	241,159	212,261	1,789,950
Other	21,299	-	2,156	23,455
Due from other funds	306,062	-	96,126	402,188
Inventories	201,389	9,615	262	211,266
Notes receivable - current portion	8,605	-	34,296	42,901
Total Current Assets	<u>3,584,548</u>	<u>2,299,529</u>	<u>3,081,182</u>	<u>8,965,259</u>
Noncurrent Assets				
Restricted Assets				
Reserve account	210,164	168,428	45,200	423,792
Replacement account	-	-	350,406	350,406
Impact fees	-	335,550	47,362	382,912
Capital Assets				
Construction in progress	29,929	29,775	2,110	61,814
Plant in service	13,659,596	16,157,269	18,439,105	48,255,970
Less: Accumulated depreciation	(7,899,696)	(4,085,329)	(8,720,756)	(20,705,781)
Other Assets				
Notes receivable	10,258	-	-	10,258
Total Noncurrent Assets	<u>6,010,251</u>	<u>12,605,693</u>	<u>10,163,427</u>	<u>28,779,371</u>
Total Assets	<u>9,594,799</u>	<u>14,905,222</u>	<u>13,244,609</u>	<u>37,744,630</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
LIABILITIES				
Current Liabilities				
Accounts payable	\$ 716,542	\$ 15,796	\$ 44,545	\$ 776,883
Accrued expenses	35,218	12,195	10,751	58,164
Customer deposits	35,581	32,040	-	67,621
Due to other funds	247,415	227,552	-	474,967
Current portion of accrued compensated absences	53,276	32,799	24,101	110,176
Current portion of notes payable	8,605	-	-	8,605
Liabilities Payable from Restricted Assets				
Current portion of revenue bonds	120,000	100,000	223,561	443,561
Accrued interest	19,980	10,907	5,730	36,617
Total Current Liabilities	<u>1,236,617</u>	<u>431,289</u>	<u>308,688</u>	<u>1,976,594</u>
Noncurrent Liabilities				
Long-Term Debt				
Accrued compensated absences	175,028	107,757	79,181	361,966
Revenue bonds payable	1,755,000	1,620,000	958,468	4,333,468
Notes payable	10,258	-	-	10,258
Other postemployment benefits liability	28,801	21,894	14,988	65,683
Total Noncurrent Liabilities	<u>1,969,087</u>	<u>1,749,651</u>	<u>1,052,637</u>	<u>4,771,375</u>
Total Liabilities	<u>3,205,704</u>	<u>2,180,940</u>	<u>1,361,325</u>	<u>6,747,969</u>
DEFERRED INFLOWS OF RESOURCES				
Unearned revenues	-	2,100	-	2,100
Total Deferred Inflows of Resources	-	<u>2,100</u>	-	<u>2,100</u>
NET POSITION				
Net investment in capital assets	4,124,993	10,550,143	8,583,630	23,258,766
Restricted for				
Redemption and replacement funding	47,219	468,514	428,486	944,219
Unrestricted	<u>2,216,883</u>	<u>1,703,525</u>	<u>2,871,168</u>	<u>6,791,576</u>
TOTAL NET POSITION	<u>\$ 6,389,095</u>	<u>\$ 12,722,182</u>	<u>\$ 11,883,284</u>	<u>\$ 30,994,561</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

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

For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
OPERATING REVENUES	<u>\$ 9,746,313</u>	<u>\$ 1,364,804</u>	<u>\$ 1,431,198</u>	<u>\$ 12,542,315</u>
OPERATING EXPENSES				
Operation and maintenance	8,607,496	764,599	1,083,929	10,456,024
Depreciation	562,543	303,025	536,909	1,402,477
Taxes	66,557	15,349	30,997	112,903
Total Operating Expenses	<u>9,236,596</u>	<u>1,082,973</u>	<u>1,651,835</u>	<u>11,971,404</u>
Operating Income (Loss)	<u>509,717</u>	<u>281,831</u>	<u>(220,637)</u>	<u>570,911</u>
NONOPERATING REVENUES (EXPENSES)				
Investment income	4,757	13,408	28,217	46,382
Interest expense	(83,977)	(68,229)	(39,574)	(191,780)
Non-utility expenses	(16,630)	-	-	(16,630)
Total Nonoperating Revenues (Expenses)	<u>(95,850)</u>	<u>(54,821)</u>	<u>(11,357)</u>	<u>(162,028)</u>
Income (Loss) Before Contributions and Transfers	<u>413,867</u>	<u>227,010</u>	<u>(231,994)</u>	<u>408,883</u>
CONTRIBUTIONS AND TRANSFERS				
Capital contributions	83,848	76,230	236,340	396,418
Transfers out	(246,192)	(264,221)	-	(510,413)
Total Contributions and Transfers	<u>(162,344)</u>	<u>(187,991)</u>	<u>236,340</u>	<u>(113,995)</u>
Change in Net Position	251,523	39,019	4,346	294,888
NET POSITION - Beginning of Year	<u>6,137,572</u>	<u>12,683,163</u>	<u>11,878,938</u>	<u>30,699,673</u>
NET POSITION - END OF YEAR	<u><u>\$ 6,389,095</u></u>	<u><u>\$ 12,722,182</u></u>	<u><u>\$ 11,883,284</u></u>	<u><u>\$ 30,994,561</u></u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

STATEMENT OF CASH FLOWS PROPRIETARY FUNDS For the Year Ended December 31, 2014

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
CASH FLOWS FROM OPERATING ACTIVITIES				
Received from customers	\$ 9,609,818	\$ 1,417,713	\$ 1,352,943	\$ 12,380,474
Cash paid from city for services	201,087	-	-	201,087
Paid to suppliers for goods and services	(8,092,128)	(414,924)	(700,672)	(9,207,724)
Paid to employees for services	(516,626)	(345,829)	(335,531)	(1,197,986)
Net Cash Flows From Operating Activities	<u>1,202,151</u>	<u>656,960</u>	<u>316,740</u>	<u>2,175,851</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Investment income	<u>4,757</u>	<u>13,408</u>	<u>28,217</u>	<u>46,382</u>
Net Cash Flows From Investing Activities	<u>4,757</u>	<u>13,408</u>	<u>28,217</u>	<u>46,382</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Advances to other funds	(266,721)	-	-	(266,721)
Transfers to other funds	(267,813)	(272,279)	-	(540,092)
Net Cash Flows From Noncapital Financing Activities	<u>(534,534)</u>	<u>(272,279)</u>	<u>-</u>	<u>(806,813)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Debt retired	(123,435)	(90,000)	(218,410)	(431,845)
Interest paid	(85,181)	(68,824)	(40,635)	(194,640)
Contributions in aid of construction	32,485	76,230	236,340	345,055
Acquisition and construction of capital assets	<u>(346,262)</u>	<u>(199,295)</u>	<u>(120,411)</u>	<u>(665,968)</u>
Net Cash Flows From Capital and Related Financing Activities	<u>(522,393)</u>	<u>(281,889)</u>	<u>(143,116)</u>	<u>(947,398)</u>
Net Change in Cash and Cash Equivalents	149,981	116,200	201,841	468,022
CASH AND CASH EQUIVALENTS - Beginning of Year	<u>1,770,846</u>	<u>2,436,533</u>	<u>2,977,208</u>	<u>7,184,587</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 1,920,827</u>	<u>\$ 2,552,733</u>	<u>\$ 3,179,049</u>	<u>\$ 7,652,609</u>

See accompanying notes to financial statements.

	Business-type Activities - Enterprise Funds			
	Electric Utility	Water Utility	Sewer Utility	Totals
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH FLOWS FROM OPERATING ACTIVITIES				
Operating income (loss)	\$ 509,717	\$ 281,831	\$ (220,637)	\$ 570,911
Adjustments to Reconcile Operating Income (Loss) to Net Cash Flows From Operating Activities				
Depreciation	562,543	303,025	536,909	1,402,477
Depreciation charged to other funds	-	29,460	(29,460)	-
Changes in assets and liabilities				
Customer accounts receivable	66,590	(7,697)	105	58,998
Other accounts receivable	-	(2,994)	22,249	19,255
Due from other funds	-	-	(71,149)	(71,149)
Inventories	3,108	(1,483)	-	1,625
Note receivable	8,435	-	33,241	41,676
Accounts payable	49,239	267	29,320	78,826
Due to other funds	(2,312)	(8,338)	-	(10,650)
Other current liabilities	2,083	2,859	2,501	7,443
Compensated absences	(24,055)	3,996	(1,327)	(21,386)
Customer deposits	(1,998)	32,040	-	30,042
Post employment benefits	28,801	21,894	14,988	65,683
Unearned revenues	-	2,100	-	2,100
NET CASH FLOWS FROM OPERATING ACTIVITIES	<u>\$ 1,202,151</u>	<u>\$ 656,960</u>	<u>\$ 316,740</u>	<u>\$ 2,175,851</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENT OF NET POSITION - PROPRIETARY FUNDS				
Cash and investments - statement of net position	\$ 1,643,464	\$ 1,904,884	\$ 2,699,633	\$ 6,247,981
Restricted cash and investments - statement of net position	<u>277,363</u>	<u>647,849</u>	<u>479,416</u>	<u>1,404,628</u>
Total Cash and Investments	<u>1,920,827</u>	<u>2,552,733</u>	<u>3,179,049</u>	<u>7,652,609</u>
CASH AND CASH EQUIVALENTS	<u>\$ 1,920,827</u>	<u>\$ 2,552,733</u>	<u>\$ 3,179,049</u>	<u>\$ 7,652,609</u>
NONCASH CAPITAL AND RELATED FINANCING ACTIVITIES				
None				

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

**STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS
As of December 31, 2014**

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 2,782,022
Receivables	
Taxes receivable	<u>6,067,436</u>
TOTAL ASSETS	<u>\$ 8,849,458</u>
LIABILITIES	
Deposits	\$ 29,974
Due to other taxing units	<u>8,819,484</u>
TOTAL LIABILITIES	<u>\$ 8,849,458</u>

See accompanying notes to financial statements.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE I - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the City of New Richmond, 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 units. 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 city has not identified any organizations that meet this criteria.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

In April 2013, the GASB issued statement No. 70 - *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement establishes requirements for financial reporting and disclosures for governments that extend and/or receive nonexchange financial guarantees. This standard was implemented January 1, 2014.

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.

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

Fund Financial Statements

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

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.
- General Debt Service - used to account for and report financial resources restricted, committed, or assigned for the payment of general long-term debt principal, interest, and related costs.
- Capital Projects - used to account for and report financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

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 NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Fund Financial Statements (cont.)

The city reports the following nonmajor governmental 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).

Park Land Trust Fund
Library Trust Fund
Storm Water Utility
CDBG Revolving Housing
Impact Fees

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.

Tax Increment Financing (TIF) District #5

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.

Landfill Assurance
Tax Increment Financing (TIF) District #6
Tax Increment Financing (TIF) District #7
Tax Increment Financing (TIF) District #8
Tax Increment Financing (TIF) District #9
Tax Increment Financing (TIF) District #10
Capital Replacement Fund

In addition, the city reports the following fund type:

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 Agency Fund
Employee Flex Plan Fund
Armed Services Memorial Fund

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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.

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. Delinquent special assessments being held by the county are reported as receivables and unavailable revenues.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

Fund Financial Statements (cont.)

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, water and sewer utility funds are charges to customers for sales and services. Special assessments are recorded as receivables and contribution revenue when levied. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities 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, 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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

1. Deposits and Investments (cont.)

- 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. The policy specifically excludes the funds of the City of New Richmond Utility (electric, water and sewer utilities). That policy contains the following guidelines:

Credit Risk - The investment policy follows the state statute for allowable investments. The policy does not address credit risk for U.S. Agency securities implicitly guaranteed.

Concentration of Credit Risk - The policy states investments should be limited to avoid over concentration in securities to a specific issuer, industry, or business sector, excluding U.S. Treasury obligations.

Interest Rate Risk - The policy specifies the investment portfolio shall be structured so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.

The city's investment policy does not address custodial credit risk. The City of New Richmond Utility has not adopted an investment policy.

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

1. Deposits and Investments (cont.)

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, 2014, 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 funds.

Property tax calendar - 2014 tax roll:

Lien date and levy date	December 2014
Tax bills mailed	December 2014
Payment in full, or	January 31, 2015
First installment due	January 31, 2015
Second installment due	July 31, 2015
Personal property taxes in full	January 31, 2015
Tax sale - 2014 delinquent real estate taxes	October 2017

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 and sewer utilities because they have the right by law to place substantially all delinquent bills on the tax roll, and other delinquent bills are generally not significant.

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

2. Receivables (cont.)

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.

The city has received federal and state grant funds for economic development and housing rehabilitation loan programs to various businesses and individuals. The city records a loan receivable when the loan has been made and funds have been disbursed. The amount recorded as economic development and housing rehabilitation loans receivable has been reduced by an allowance for uncollectible accounts of \$81,875.

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 fund balance in the fund financial statements.

3. Inventories

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 weighted average, and charged to construction and/or operation and maintenance expense when used.

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. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

D. ASSETS, 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 \$5,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost, or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their estimated fair value at the date of donation. Intangible assets having an initial cost of more than \$50,000 and estimated useful life in excess of one year are also capitalized.

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 of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation reflected in the statement of net position. Depreciation 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	30-100 Years
Machinery and Equipment	2-30 Years
Infrastructure	20-50 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.

6. Other Assets

The city has a long-term receivable from the West Central Biosolids Facility for its share of the funds advanced for construction of the facility.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (cont.)

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

7. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements. Upon retirement of an employee, the vested sick leave balance is converted to health insurance premiums until the balance is exhausted. Upon death of an employee, the vested sick leave balance is paid to a beneficiary.

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, 2014, are determined on the basis of current salary rates and include salary related payments.

8. Long-Term Obligations

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

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

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:

	Governmental Activities	Business-type Activities	Adjustment	Total
Net investment in capital assets	\$ 25,668,169	\$ 23,258,766	\$ (378,524)	\$ 48,548,411
Unrestricted	(430,035)	6,791,576	378,524	6,740,065

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

10. Equity Classifications (cont.)

Fund Statements (cont.)

- 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 are not considered restricted or committed. Fund balance may be assigned through the following: 1) The council may take official action to assign amounts. 2) All remaining positive spendable amounts in governmental funds, other than the general fund, that are neither restricted nor committed. 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 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.

11. Basis for Existing Rates

Electric Utility

Electric rates were approved by the PSCW on November 22, 2013 and placed into effect by the utility on December 1, 2013. The rates are designed to provide a 6.25% return on rate base.

Water Utility

On May 22, 2014, the PSCW approved water rates that became effective July 1, 2014. The rates are designed to provide a 6.5% return on rate base.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

11. Basis for Existing Rates (cont.)

Sewer Utility

The utility commission approved sewer rates on January 10, 2012 which became effective April 1, 2012.

NOTE II - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. DEFICIT BALANCES

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

As of December 31, 2014, the following individual funds held a deficit balance:

Fund	Amount	Reason
General Debt Service	\$ 18	Expenditures in excess of revenues
Capital Projects	107,267	Expenditures in excess of revenues
Landfill Assurance	9,085	Expenditures in excess of revenues
TIF District #8	44,812	Project costs in excess of increment
TIF District #9	60,180	Project costs in excess of increment
TIF District #10	17,136	Project costs in excess of increment

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, general debt service, capital project and landfill assurance fund deficits are anticipated to be funded with future contributions, general tax revenues, or long-term borrowing.

B. 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 free 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 NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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:

	Carrying Value	Bank and Investment Balances	Associated Risks
Demand deposits	\$ 2,404,083	\$ 2,399,744	Custodial credit risk
Money market	32,614	32,614	Custodial credit risk
U.S. agency bonds - explicit guarantee	946,538	946,538	Custodial credit and interest rate risks
U.S. agency bonds - implicit guarantee	674,151	674,151	Credit, custodial credit, concentration of credit and interest rate risks
U.S. treasuries	149,883	149,883	Custodial credit and interest rate risks
State and local bonds	103,687	103,687	Credit, custodial credit, concentration of credit and interest rate risks
Repurchase sweep agreement	497,402	497,402	Credit, custodial credit, concentration of credit and interest rate risks
Negotiable certificates of deposit	1,847,676	1,847,676	Credit, custodial credit and interest rate risks
Mutual funds	29,598	29,598	N/A
LGP	6,684,382	6,684,382	Credit risk
Exchange-traded products	151,372	151,372	N/A
Petty cash	2,550	—	N/A
	<u>\$ 13,523,936</u>	<u>\$ 13,517,047</u>	

Reconciliation to financial statements

Per statement of net position	
Unrestricted cash and investments	\$ 8,991,003
Restricted cash and investments - agency funds	1,750,911
Agency Funds	<u>2,782,022</u>
Total Deposits and Investments	<u>\$ 13,523,936</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

Deposits in each local and area bank are insured by the FDIC in the amount of \$250,000 for time and savings accounts (including NOW accounts) and \$250,000 for demand deposit accounts (interest-bearing and noninterest-bearing). In addition, if deposits are held in an institution outside of the state in which the government is located, insured amounts are further limited to a total of \$250,000 for the combined amount of all deposit accounts.

Bank accounts are also insured by the State Deposit Guarantee Fund in the amount of \$400,000. However, due to the nature of this fund, recovery of material principal losses may not be significant to individual municipalities. This coverage has been considered in computing custodial credit risk.

The Securities Investor Protection Corporation (SIPC), created by the Securities Investor Protection Act of 1970, is an independent government-sponsored corporation (not an agency of the U.S. government).

SIPC membership provides account protection up to a maximum of \$500,000 per customer, of which \$100,000 may be in cash. \$699,478 of the city's investments are covered by SIPC.

The city maintains collateral agreements with its banks. At December 31, 2014, the banks had pledged various government securities in the amount of \$497,402 to secure the city's repurchase sweep agreements.

The city maintains collateral agreements with its banks. At December 31, 2014, the banks had pledged various state and local government bonds in the amount of \$630,642 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.

As of December 31, 2014, \$543,250 of the city's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 543,250
Total	\$ 543,250

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

Custodial Credit Risk (cont.)

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.

As of December 31, \$522,431 of the city's investments were exposed to custodial credit risk due to investment account balances in excess of SIPC coverage.

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, 2014, the city's investments were rated as follows:

Investment Type	Standard & Poors	Moody's Investors Services
Federal Home Loan Bank	AA+	Aaa
Federal Farm Credit Bank	AA+	Aaa

The city also held investments in the following external pool which is not rated:

Wisconsin Local Government Investment Pool (LGIP)

The city also has investments in negotiable certificates of deposit and state and local bonds which have an unknown credit rating.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

A. DEPOSITS AND INVESTMENTS (cont.)

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, 2014, the city's investments were as follows:

Investment Type	Fair Value	Maturity (In Years)			
		Less than 1	1 - 3	3 +	
U.S. agency bonds - explicit guarantee	\$ 946,538	\$ -	\$ 427,260	\$ 519,278	
U.S. agency bonds - implicit guarantee	674,151	-	196,916	475,235	
U.S. treasuries	149,883	-	149,883	-	
State and local bonds	103,687	25,378	78,309	-	
Repurchase sweep agreements	497,402	497,402	-	-	
Negotiable certificates of deposit	1,847,616	671,297	1,176,379	-	
Totals	\$ 4,219,937	\$ 1,194,077	\$ 2,030,747	\$ 994,513	

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

B. RECEIVABLES

All of the receivables on the balance sheet are expected to be collected within one year except for \$29,666 in the general fund, \$921,737 in the debt service fund, \$45,103 in the capital projects fund, \$10,259 in the electric utility, and \$342,533 in the nonmajor funds.

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 for subsequent year	\$ 5,423,669	\$ 12,552
Accounts receivable	-	17,147
Due from other governments	-	56,476
Special assessments not yet due	-	33,708
Loans receivable	-	1,359,695
Total Unearned/Unavailable Revenue for Governmental Funds	\$ 5,423,669	\$ 1,479,578

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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.

Following is a list of restricted assets at December 31, 2014:

	Restricted Assets	Liabilities Payable from Restricted Assets	Restricted Net Position
Bond redemption account	\$ 247,518	\$ 36,617	\$ 210,901
Bond reserve account	423,792	-	n/a
Equipment replacement account	350,406	-	350,406
Impact fee account - utility	382,912	-	382,912
Impact fee account - other	346,283	-	346,283
Total	\$ 1,750,911	\$ 36,617	\$ 1,290,502

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2014, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
Capital assets not being depreciated				
Construction in progress	\$ 126,066	\$ 35,192	\$ 49,574	\$ 111,684
Land	6,579,750	-	12,150	6,567,600
Total Capital Assets Not Being Depreciated	6,705,816	35,192	61,724	6,679,284
Capital assets being depreciated				
Buildings	9,825,108	5,000	-	9,930,108
Machinery and equipment	4,391,169	616,661	37,627	4,970,203
Land improvements	5,775,629	199,173	-	5,974,802
Roads	22,369,469	-	-	22,369,469
Storm sewers	8,373,121	-	-	8,373,121
Sidewalks	514,957	-	-	514,957
Total Capital Assets Being Depreciated	51,349,453	820,834	37,627	52,132,660
Total Capital Assets	58,055,269	856,026	99,351	58,811,944
Less: Accumulated depreciation for				
Buildings	(2,499,236)	(186,127)	-	(2,685,363)
Machinery and equipment	(3,041,301)	(264,197)	23,625	(3,281,873)
Land improvements	(1,107,237)	(191,834)	-	(1,299,071)
Roads	(6,934,500)	(543,088)	-	(7,477,588)
Storm sewers	(2,379,101)	(180,700)	-	(2,559,801)
Sidewalks	(119,401)	(4,070)	-	(123,471)
Total Accumulated Depreciation	(16,080,776)	(1,370,016)	23,625	(17,427,167)
Net Capital Assets Being Depreciated	35,268,677	(549,182)	14,002	34,705,493
Total Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$ 41,974,493	\$ (513,990)	\$ 75,726	\$ 41,384,777

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

Depreciation expense was charged to functions as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities				
General government			\$	\$ 30,787
Public safety				135,376
Public works, which includes the depreciation of infrastructure				1,042,295
Leisure activities				161,558
Total Governmental Activities Depreciation Expense			\$	\$ 1,370,016
Business-type Activities				
Electric				
Capital assets not being depreciated				
Construction in progress	\$ 35,310	\$ 10,823	\$ 16,204	\$ 29,929
Land and land rights	48,414	-	-	48,414
Total Capital Assets Not Being Depreciated	83,724	10,823	16,204	78,343
Capital assets being depreciated				
Transmission	113,355	-	-	113,355
Distribution	11,726,071	338,853	40,689	12,024,235
Administrative and general assets	1,466,061	13,100	5,569	1,473,592
Total Capital Assets Being Depreciated	13,305,487	351,953	46,258	13,611,182
Total Capital Assets	13,389,211	362,776	62,462	13,689,525
Less: Accumulated depreciation for				
Electric plant	(7,383,101)	(562,853)	46,258	(7,899,696)
Total Accumulated Depreciation	(7,383,101)	(562,853)	46,258	(7,899,696)
Net Capital Assets Being Depreciated	5,922,386	(210,900)	-	5,711,486
Net Electric Capital Assets	\$ 6,006,110	\$ (200,077)	\$ 16,204	\$ 5,789,829

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Water				
Capital assets not being depreciated	\$ 25,864	\$ 4,121	\$ 210	\$ 29,775
Construction in progress	2,425	-	-	2,425
Land and land rights	-	-	-	-
Total Capital Assets Not Being Depreciated	28,289	4,121	210	32,200
Capital assets being depreciated				
Source of supply	587,764	-	-	587,764
Pumping	1,266,795	34,066	19,650	1,281,211
Treatment	14,298	-	-	14,298
Transmission and distribution	13,566,934	160,665	15,727	13,711,872
Administrative and general assets	533,735	18,601	2,637	549,699
Total Capital Assets Being Depreciated	15,979,526	213,332	38,014	16,154,844
Total Capital Assets	16,007,815	217,453	38,224	16,187,044
Less: Accumulated depreciation for Water plant	(3,780,681)	(342,662)	38,014	(4,085,329)
Total Accumulated Depreciation	(3,780,681)	(342,662)	38,014	(4,085,329)
Net Capital Assets Being Depreciated	12,198,845	(129,330)	-	12,069,515
Net Water Capital Assets	\$ 12,227,134	\$ (125,209)	\$ 210	\$ 12,101,715

Depreciation expense was charged to functions as follows:

Business-type Activities	
Electric	\$ 562,543
Water	303,025
Sewer	536,909
Total Business-type Activities Depreciation Expense	\$ 1,402,477

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

Business-type Activities (cont.)

	Beginning Balance	Additions	Deletions	Ending Balance
Sewer				
Capital assets not being depreciated	\$ 22,940	\$ 2,110	\$ 22,940	\$ 2,110
Construction in progress	55,306	-	-	55,306
Land and land rights	-	-	-	-
Total Capital Assets Not Being Depreciated	78,246	2,110	22,940	57,416
Capital assets being depreciated				
Collection system	8,784,184	49,875	-	8,834,059
Collection system pumping	2,591,465	54,325	10,286	2,635,504
Treatment and disposal	6,246,245	33,163	58,794	6,220,614
Administrative and general assets	692,069	6,878	5,325	693,622
Total Capital Assets Being Depreciated	18,313,963	144,241	74,405	18,383,799
Total Capital Assets	18,392,209	146,351	97,345	18,441,215
Less: Accumulated depreciation for Sewer plant	(8,284,712)	(510,449)	74,405	(8,720,756)
Total Accumulated Depreciation	(8,284,712)	(510,449)	74,405	(8,720,756)
Net Capital Assets Being Depreciated	10,029,251	(366,208)	-	9,663,043
Net Sewer Capital Assets	\$ 10,107,497	\$ (364,098)	\$ 22,940	\$ 9,720,459
Business-type Capital Assets, Net of Accumulated Depreciation	\$ 28,340,741	\$ (659,384)	\$ 39,354	\$ 27,612,003

Depreciation expense was charged to functions as follows:

Business-type Activities	
Electric	\$ 562,543
Water	303,025
Sewer	536,909
Total Business-type Activities Depreciation Expense	\$ 1,402,477

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

D. CAPITAL ASSETS (cont.)

Depreciation expense does not agree to the increases in accumulated depreciation due to joint metering, salvage, and cost of removal.

Accumulated depreciation for the electric, water and sewer utilities is not available by asset class or function.

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	Electric Utility	\$ 247,415
General Fund	Water Utility	194,919
General Fund	General Debt Service	18
Storm Water Utility	Water Utility	32,633
Sewer Utility	General Fund	27,041
TIF District #8	TIF District #8	69,085
Electric Utility	Park Land Trust Fund	11,090
	Capital Projects	<u>306,062</u>
Total - Fund Financial Statements		888,263
Less: Fund eliminations		(11,108)
Less: Government-wide eliminations		<u>(804,376)</u>
Total Internal Balances - Government-Wide Statement of Net Position		<u>\$ 72,779</u>

Receivable Fund	Payable Fund	Amount
Governmental Activities	Business-type Activities	\$ 474,967
Business-type Activities	Governmental Activities	<u>(402,188)</u>
Total Government-Wide Financial Statements		<u>\$ 72,779</u>

All amounts are due within one year.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

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

Interfund Receivables/Payables (cont.)

The primary purpose of the majority of the interfund balance between the general fund and the electric and water utilities is the amount due for the 2014 property tax equivalent payments. Remaining balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Advances

The general fund is advancing funds to TIF District #9 and TIF District #10. The amount advanced is determined by the deficiency of revenues over expenditures and other financing sources since the district's inception. The general fund is charging the TIF District #9 and TIF District #10 interest on the advance based on the average outstanding advance balance during the year at a rate of 4%. No repayment schedule has been established.

The following is a schedule of interfund advances:

Receivable Fund	Payable Fund	Amount	Amount Not Due Within One Year
General Fund	TIF District #9	\$ 60,180	\$ 41,105
General Fund	TIF District #10	<u>17,136</u>	<u>17,136</u>
Total - Fund Financial Statements		77,316	
Less: Fund eliminations		<u>(77,316)</u>	
Total - Interfund Advances - Government-Wide Statement of Net Position		<u>\$ -</u>	

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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:

Fund Transferred To	Fund Transferred From	Amount	Principal Purpose
General Fund	Electric Utility	\$ 246,192	Payment in lieu of taxes
General Fund	Water Utility	264,221	Payment in lieu of taxes
Landfill Assurance	General Fund	16,477	City share of landfill taxes
TIF District #6	TIF District #5	141,660	TIF increment sharing
TIF District #8	TIF District #6	337,303	TIF increment sharing
General Debt Service	TIF District #6	432,905	TIF share of debt service
General Debt Service	TIF District #7	32,021	TIF share of debt service
General Debt Service	TIF District #8	354,420	TIF share of debt service
Total - Fund Financial Statements		1,825,199	
Less: Fund eliminations		(1,314,786)	
Less: Transfer of property from governmental activities to business-type activities		(39,341)	
Total Transfers - Government-Wide Statement of Activities		\$ 471,072	

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

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS

Long-term obligations activity for the year ended December 31, 2014, was as follows:

Governmental Activities	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
Bonds and Notes Payable	\$ 20,093,376	\$ -	\$ 2,087,965	\$ 18,005,411	\$ 1,857,045
General obligation debt					
Other Liabilities	336,070	106,771	58,427	384,414	251,764
Compensated absences	286,369	-	15,434	270,935	17,000
Landfill remediation costs	163,619	-	19,550	144,069	14,000
Unfunded prior service cost	188,638	11,230	32,662	167,206	33,317
Other postemployment benefits	-	155,331	-	155,331	-
Total Other Liabilities	974,696	273,332	126,073	1,121,955	316,081
Total Governmental Activities Long-Term Liabilities	\$ 21,068,072	\$ 273,332	\$ 2,214,038	\$ 19,127,366	\$ 2,173,126
Business-type Activities					
Bonds and Notes Payable	\$ 5,200,439	\$ -	\$ 423,410	\$ 4,777,029	\$ 443,561
Revenue bonds	27,298	-	8,435	18,863	8,605
Other bonds or notes or loans payable	5,227,737	-	431,845	4,795,892	452,166
Sub-totals	493,528	111,541	132,927	472,142	110,176
Other Liabilities					
Compensated absences	-	65,683	-	65,683	-
Other postemployment benefits	-	177,224	-	177,224	-
Total Other Liabilities	493,528	243,807	132,927	604,408	110,176
Total Business-type Activities Long-Term Liabilities	\$ 5,721,265	\$ 177,224	\$ 564,772	\$ 5,333,717	\$ 562,342

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, 2014, was \$28,774,425. Total general obligation debt outstanding at year end was \$18,005,411.

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 debt service fund.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

General Obligation Debt (cont.)

General Obligation Debt	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
State Trust Fund Loan	Sep 05	Mar 15	4.0%	\$ 118,000	\$ 15,535
Promissory Note	May 06	Oct 25	3.75-4.2%	4,545,000	3,715,000
Refunding Bonds	Apr 07	Dec 26	3.875-4.05%	3,575,000	2,670,000
Promissory Note	May 08	Apr 18	3.4-3.6%	390,000	205,000
Bonds Payable	May 08	Oct 27	3.5-4.0%	3,685,000	2,875,000
Promissory Note	Feb 08	May 27	0%	803,462	551,264
Promissory Note	Sept 09	Apr 19	1.5-3.55%	2,420,000	910,000
Promissory Note	May 11	Jun 21	0%	163,616	106,350
Refunding Bonds	Aug 11	Mar 27	0.65-4.875%	1,150,000	970,000
Refunding Bonds	Dec 11	Dec 23	1.0-3.0%	3,545,000	2,755,000
State Trust Fund Loan	Dec 12	Mar 22	2.75%	404,000	404,000
Refunding Bonds	Jul 12	Mar 30	2.0-2.8%	3,125,000	2,340,000
State Trust Fund Loan	Apr 13	Mar 23	2.75%	262,000	13,444
State Trust Fund Loan	Jan 13	Mar 22	2.75%	251,000	227,149
State Trust Fund Loan	Apr 13	Mar 23	2.75%	272,000	247,669
					<u>\$ 18,005,411</u>

Total Governmental Activities - General Obligation Debt

Debt service requirements to maturity are as follows:

Years	Governmental Activities General Obligation Debt	
	Principal	Interest
2015	\$ 1,857,045	\$ 572,915
2016	1,833,900	525,169
2017	1,856,394	468,505
2018	1,864,896	409,546
2019	1,907,440	347,906
2020-2024	6,613,521	956,950
2025-2029	1,922,215	136,910
2030	150,000	2,100
Totals	<u>\$ 18,005,411</u>	<u>\$ 3,420,001</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Revenue Debt

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

The electric utility has pledged future electric revenues, net of specified operating expenses, to repay revenue bonds issued in 2006. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from electric revenues and are payable through 2026. Annual principal and interest payments on the bonds are expected to require 19.00% of net revenues. The total principal and interest remaining to be paid on the bonds is \$2,445,248. Principal and interest paid for the current year and total customer net revenues were \$199,970 and \$1,072,260, respectively.

The water and sewer utility has pledged future water and sewer revenues, net of specified operating expenses, to repay revenue bonds issued in 1995, 1998 and 2007. Proceeds from the bonds provided financing for the utility system improvements. The bonds are payable solely from water and sewer revenues and are payable through 2027. Annual principal and interest payments on the bonds are expected to require 30.40% of net revenues. The total principal and interest remaining to be paid on the bonds is \$3,559,598. Principal and interest paid for the current year and total customer net revenues were \$417,869 and \$901,128, respectively.

Revenue debt payable at December 31, 2014, consists of the following:

Business-type Activities Revenue Debt

Electric Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
Revenue Bonds	May 06	Oct 26	4.2-4.4%	\$ 2,160,000	\$ 1,875,000
Total Electric Utility					<u>1,875,000</u>
Water Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
Revenue Bonds	Apr 07	May 27	3.75-4.00%	2,220,000	1,720,000
Total Water Utility					<u>1,720,000</u>

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

F. LONG-TERM OBLIGATIONS (cont.)

Business-type Activities Revenue Debt (cont.)

Sewer Utility	Date of Issue	Final Maturity	Interest Rates	Original Indebtedness	Balance December 31, 2014
Revenue Bonds	May 95	May 15	3.17%	496,152	\$ 34,286
Revenue Bonds	May 98	May 18	2.64%	2,506,755	662,733
Revenue Bonds	Apr 07	May 27	3.75-4.00%	645,000	485,000
Total Sewer Utility					1,182,029
Total Business-type Activities - Revenue Debt					\$ 4,777,029

Debt service requirements to maturity are as follows:

Years	Business-type Activities Revenue Debt	
	Principal	Interest
2015	\$ 443,561	\$ 179,689
2016	418,469	164,970
2017	437,785	150,250
2018	452,214	134,887
2019	295,000	121,339
2020-2024	1,710,000	412,322
2025-2027	1,020,000	64,360
Totals	\$ 4,777,029	\$ 1,227,817

Other Debt Information

Estimated payments of compensated absences, landfill costs, unfunded prior service costs and other postemployment benefits are not included in the debt service requirement schedules. The compensated absences liability, landfill costs, unfunded prior service costs and other postemployment benefits attributable to governmental activities will be liquidated primarily by the general fund.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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

G. CLOSURE AND POSTCLOSURE CARE COST

The State of Wisconsin Department of Natural Resources had requested that the city and other interested parties undertake certain environmental remediation of the former landfill and provide municipal water to the affected properties. Recently, at the request of the Wisconsin Department of Natural Resources the city and other interested parties completed a remedial investigation and feasibility study suggesting the completion of those remedial activities. The remediation is likely to include an upgrade of the landfill cover, installation and operation of a soil vapor extraction system below the waste, an alternative water supply, and remediation at private homes. The city's estimate of remaining remediation costs is \$810,564. The city's share of this liability, 17.774% of the total estimated costs, is \$144,069 and is recorded as a liability on the statement of net assets.

State and federal laws and regulations required the city to place a final cover on its landfill site when it stopped accepting waste in 1982 and to perform certain maintenance and monitoring functions at the site annually after closure. The city incurs an average annual cost of approximately \$17,000. An estimated liability of \$270,935, equal to maintenance and monitoring costs for 18 years, is recorded as a liability in the government-wide statements.

H. NET POSITION/FUND BALANCES

Net position reported on the government wide statement of net position at December 31, 2014, includes the following:

Governmental Activities	
Net Investment in Capital Assets	
Land	\$ 6,567,600
Construction in progress	111,684
Other capital assets, net of accumulated depreciation	34,705,493
Less: Long-term debt outstanding	(15,716,608)
Total Net Investment in Capital Assets	\$ 25,668,169

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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, 2014, include the following:

Fund Balances	General			Capital Projects		Nonmajor Funds	Totals
	Fund	Debt Service Fund	Fund	Fund	Fund		
Nonspendable:							
Long-term advances to other funds	\$ 58,241	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 58,241
Delinquent special assessments held by the county	34,650	-	-	-	-	-	34,650
Restricted for:							
Library projects	-	-	-	-	200,864	-	200,864
Impact fees	-	-	-	-	346,283	-	346,283
TIF projects	-	-	-	-	433,491	-	433,491
Park land projects	-	-	-	-	57,826	-	57,826
CDBG revolving housing loan program	-	-	-	-	21,621	-	21,621
Committed to:							
Storm water utility	-	-	-	-	388,961	-	388,961
Assigned to:							
Police	12,684	-	-	-	-	-	12,684
Fire	1,563	-	-	-	-	-	1,563
VFW	3,000	-	-	-	-	-	3,000
Library	1,817	-	-	-	-	-	1,817
National night out	2,500	-	-	-	-	-	2,500
Future outlay	12,562	-	-	-	-	-	12,562
Unassigned (deficit):	<u>1,681,933</u>	<u>(18)</u>	<u>(107,267)</u>	<u>(131,213)</u>	<u>1,443,435</u>	<u>(131,213)</u>	<u>1,443,435</u>
Total Fund Balances (Deficit)	\$ 1,808,970	\$ (18)	\$ (107,267)	\$ 1,317,833	\$ 3,019,518	\$ 1,317,833	\$ 3,019,518
Business-type Activities							
Net Investment in Capital Assets							
Land					106,146		106,146
Construction in progress					61,814		61,814
Other capital assets, net of accumulated depreciation					27,444,043		27,444,043
Less: Long-term debt outstanding (excluding unspent capital related debt proceeds)					<u>(4,353,237)</u>		<u>(4,353,237)</u>
Total Net Investment in Capital Assets					\$ 23,258,766		\$ 23,258,766

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION

A. EMPLOYEES' RETIREMENT SYSTEM

All eligible city employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system. All employees initially employed by a participating WRS employer prior to July 1, 2011, expected to work over 600 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. All employees initially employed by a participating WRS employer on or after July 1, 2011, expected to work at least 1,200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Effective the first day of the first pay period on or after June 29, 2011, the employee required contribution was changed to one-half of the actuarially determined contribution rate for employees in the General Employment category, and Executives and Elected Officials. Required contributions for protective employees are the same as general employees. Employees 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.

Contribution rates for December 31, 2014 were:

	Employee	Employer
General	7.00%	7.00%
Executives and Elected Officials	7.75%	7.75%
Protective with Social Security	7.00%	10.10%
Protective without Social Security	7.00%	13.70%

The payroll for city employees covered by the WRS for the year ended December 31, 2014 was \$4,111,276; the employer's total payroll was \$4,413,561. The total required contribution for the year ended December 31, 2014 was \$645,175 or 15.7% of covered payroll. Of this amount, 100% was contributed for the current year. Total contributions for the years ended 2013 and 2012 were \$614,333 and \$594,708, respectively, equal to the required contributions for each year.

Employees who retire at or after age 65 (62 for elected officials and 54 for protective occupation employees with less than 25 years of service, 53 for protective occupation employees with more than 25 years of service) are entitled to receive a retirement benefit. Employees may retire at age 55 (50 for protective occupation employees) and receive actuarially reduced benefits. The factors influencing the benefit are: (1) final average earnings; (2) years of creditable service; and (3) a formula factor. A final average earnings is the average of the employee's three highest years' earnings. Employees terminating covered employment and submitting application before becoming eligible for a retirement benefit may withdraw their contributions and, by doing so, forfeit all rights to any subsequent benefit. 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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

A. EMPLOYEES' RETIREMENT SYSTEM (cont.)

The WRS also provides death and disability benefits for employees. Eligibility and the amount of all benefits are determined under Chapter 40 of Wisconsin Statutes.

The WRS issues an annual financial report which may be obtained by writing to the Department of Employee Trust Funds, P.O. Box 7931, Madison, WI 53707-7931.

The pension-related debt for the city as of December 31, 2014, was \$167,206. This liability was determined in accordance with provisions of GASB Statement No. 27 regarding pension-related debt. Depending on actuarial assumptions, this estimate can vary significantly.

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.

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.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

C. COMMITMENTS AND CONTINGENCIES (cont.)

Long-Term Contracts - WPPI Energy (cont.)

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.

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 \$455 million as of December 31, 2014.

D. JOINT VENTURES

The City of New Richmond, along with the Townships of Cylon, Richmond, Star Prairie, Erin Prairie, Stanton, Warren, and Alden and the Villages of Star Prairie, Deer Park, and Roberts jointly operate the local ambulance service which is called the New Richmond Area Ambulance and Rescue Services and provides ambulance rescue service. Municipal appropriations are based on the equalized valuations of the municipalities. The communities' share in the annual operation of the district as follows:

Municipality	% Share
Town of Alden	3.84
City of New Richmond	49.67
Town of Cylon	2.71
Village of Deer Park	1.46
Town of Erin Prairie	2.27
Town of Richmond	11.70
Village of Roberts	7.13
Town of Stanton	4.30
Town of Star Prairie	12.44
Village of Star Prairie	2.42
Town of Warren	2.06
Total	100.00

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

D. JOINT VENTURES (cont.)

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 district. The city made payments totaling \$67,206 to the district for 2014. The city believes that the district will continue to provide services in the future at similar rates.

Financial information of the district as of December 31, 2014 is available directly from the district's office.

The city accounts for its share of the operation in the general fund.

Investment in Biosolids Facility

The City of New Richmond and the municipalities of Hudson, River Falls, Prescott, Baldwin, Ellsworth, Roberts, Spring Valley, Abery, 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). The communities share in the operation of the facility based on usage.

The governing body is made up of citizens from each municipality. 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 made payments of \$307,611 to the facility for 2014. 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, 2014 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. Plan members (retirees) receiving benefits contribute 100% of their premium costs for a family plan and a single plan.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

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 city has elected to calculate the ARC and related information using the alternative measurement method permitted by GASB Statement No. 45 for employers in plans with fewer than one hundred total plan members. 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	\$ 250,653
Interest on net OPEB obligation	-
Adjustment to annual required contribution	-
Annual OPEB cost	250,653
Contributions made	(29,639)
Increase in net OPEB obligation (asset)	221,014
Net OPEB Obligation (Asset) - Beginning of Year	-
Net OPEB Obligation (Asset) - End of Year	\$ 221,014

The city's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2014 were as follows:

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost	
		Contributed	Net OPEB Obligation
December 31, 2014	\$ 250,653	11.82 %	\$ 221,014

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The funded status of the plan as of December 31, 2014, the most recent actuarial valuation date, was as follows:

Actuarial accrued liability (AAL)	\$ 2,224,817
Actuarial value of plan assets	<u> </u>
Unfunded Actuarial Accrued Liability (UAAL)	\$ <u>2,224,817</u>
Funded ratio (actuarial value of plan assets/AAL)	-%
Covered payroll (active plan members)	\$ 3,907,396
UAAL as a percentage of covered payroll	56.94%

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 NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

E. OTHER POSTEMPLOYMENT BENEFITS (cont.)

The following simplifying assumptions were made:

1. Retirement age for active employees – Based on the historical average retirement age for the covered group, active plan members were assumed to retire at age 62, or at the first subsequent year in which the member would qualify for benefits.
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 RP2000 Mortality Table for Males and Females Projected 10 years.
4. Turnover – Non-group-specific age-based turnover data from GASB Statement No. 45 were used as a basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.
5. Healthcare cost trend rate – The expected rate of increase in healthcare insurance premiums was based on the Getzen model promulgated by the Society of Actuaries. A rate of 8.0% initially, reduced to an ultimate rate of 4.7% after 10 years, was used.
6. Health insurance premiums – 2014 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 3.0% 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 equal the rate of inflation.

Based on the historical and expected returns of the city's short-term investment portfolio, a discount rate of 2.50% 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, 2014, was 30 years.

F. RELATED ORGANIZATIONS

Housing Authority

The city's officials are responsible for appointing the board members of the New Richmond Housing Authority, but the city's accountability for this organization does not extend beyond making the appointments.

CITY OF NEW RICHMOND

NOTES TO FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2014

NOTE IV - OTHER INFORMATION (cont.)

G. EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT-PERIOD FINANCIAL STATEMENTS

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

- > Statement No. 68, *Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27*
- > Statement No. 71, *Pension - Transition for Contributions Made Subsequent to the Measurement Date - an amendment of GASB No. 68*

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

H. NONEXCHANGE FINANCIAL GUARANTEE

During 2014, the city guaranteed a bank loan drawn by the New Richmond Golf Club, Inc. (golf club), a legally separate organization, in accordance with City Council approval on October 13, 2014. Annual payments are to be made by the golf club through November 1, 2017. In the event the golf club were unable to make payments, the city would be obligated to make the payments. At December 31, 2014, the outstanding balance on the loan was \$150,750.

CITY OF NEW RICHMOND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - GENERAL FUND For the Year Ended December 31, 2014

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 3,017,511	\$ 3,017,511	\$ 3,020,701	\$ 3,190
Intergovernmental	1,536,122	1,615,380	1,640,460	25,080
Licenses and permits	219,225	219,225	216,775	(2,450)
Fines, forfeitures and penalties	101,000	101,000	84,514	(16,486)
Public charges for services	231,698	239,174	241,581	2,407
Intergovernmental charges for services	24,000	24,000	23,234	(766)
Special assessments	3,196	3,196	3,196	-
Investment income	41,932	41,932	81,665	39,733
Miscellaneous	57,044	101,950	142,752	40,802
Total Revenues	<u>5,231,728</u>	<u>5,363,368</u>	<u>5,454,878</u>	<u>91,510</u>
EXPENDITURES				
Current:				
General government	1,249,629	1,251,792	1,205,458	46,334
Public safety	2,091,194	2,116,391	2,116,391	-
Public works	1,112,114	1,211,589	1,211,589	-
Health and human services	12,050	12,050	11,741	309
Leisure activities	1,140,360	1,139,810	1,095,822	43,988
Conservation and development	135,164	136,164	115,576	20,588
Capital Outlay	<u>36,000</u>	<u>69,755</u>	<u>69,755</u>	<u>-</u>
Total Expenditures	<u>5,776,511</u>	<u>5,937,551</u>	<u>5,826,332</u>	<u>111,219</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(544,783)</u>	<u>(574,183)</u>	<u>(371,454)</u>	<u>202,729</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	561,983	561,983	510,413	(51,570)
Transfers out	<u>(17,200)</u>	<u>(17,200)</u>	<u>(16,477)</u>	<u>723</u>
Total Other Financing Sources (Uses)	<u>544,783</u>	<u>544,783</u>	<u>493,936</u>	<u>(50,847)</u>
Net Change in Fund Balance	-	(29,400)	122,482	151,882
FUND BALANCE - Beginning of Year	<u>1,686,488</u>	<u>1,686,488</u>	<u>1,686,488</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,686,488</u>	<u>\$ 1,657,088</u>	<u>\$ 1,808,970</u>	<u>\$ 151,882</u>

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

FORM OF LEGAL OPINIONS

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

August 26, 2015

Re: City of New Richmond, Wisconsin ("Issuer")
 \$3,530,000 General Obligation Refunding Bonds, Series 2015A,
 dated August 26, 2015 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are numbered from R-1 and upward; bear interest at the rates set forth below; and mature on October 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$315,000	____%
2017	320,000	____
2018	325,000	____
2019	340,000	____
2020	340,000	____
2021	355,000	____
2022	365,000	____
2023	380,000	____
2024	390,000	____
2025	400,000	____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2016.

The Bonds maturing on October 1, 2023 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on October 1, 2022 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Bonds have been duly authorized and executed by the Issuer and are valid and binding general obligations of the Issuer.

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

3. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

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

August 26, 2015

Re: City of New Richmond, Wisconsin ("Issuer")
\$1,800,000 Electric Utility Revenue Refunding Bonds, Series 2015B,
dated August 26, 2015 ("Bonds")

We have acted as bond counsel to the Issuer in connection with the issuance of the Bonds. In such capacity, we have examined such law and such certified proceedings, certifications, and other documents as we have deemed necessary to render this opinion.

Regarding questions of fact material to our opinion, we have relied on the certified proceedings and other certifications of public officials and others furnished to us without undertaking to verify the same by independent investigation.

The Bonds are issued pursuant to Section 66.0621, Wisconsin Statutes and a resolution adopted by the Common Council of the Issuer on August 10, 2015 (the "Bond Resolution"). The Issuer covenanted in the Bond Resolution that revenues derived from the operation of the Electric Utility (the "System") of the Issuer which are deposited in the Special Redemption Fund provided by the Bond Resolution (the "Revenues") shall at all times be sufficient to pay the principal of and interest on the Bonds as the same falls due.

The Bonds are numbered R-1 and upward; bear interest at the rates set forth below; and mature on October 1 of each year, in the years and principal amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2016	\$140,000	____%
2017	150,000	_____
2018	150,000	_____
2019	155,000	_____
2020	160,000	_____
2021	165,000	_____
2022	170,000	_____
2023	175,000	_____
2024	180,000	_____
2025	185,000	_____
2026	170,000	_____

Interest is payable semi-annually on April 1 and October 1 of each year commencing on April 1, 2016.

The Bonds maturing on October 1, 2024 and thereafter are subject to redemption prior to maturity, at the option of the Issuer, on October 1, 2023 or on any date thereafter. Said Bonds are redeemable as a whole or in part, and if in part, from maturities selected by the Issuer and within each maturity, by lot, at the principal amount thereof, plus accrued interest to the date of redemption.

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

We further certify that we have examined a sample of the Bonds and find the same to be in proper form.

Based upon and subject to the foregoing, it is our opinion under existing law that:

1. The Issuer is duly created and validly existing under the Constitution and laws of the State of Wisconsin with the power to adopt the Bond Resolution, perform the agreements on its part contained therein and issue the Bonds.

2. The Bond Resolution has been duly adopted by the Issuer and constitutes a valid and binding obligation of the Issuer enforceable upon the Issuer.

3. The Bonds have been lawfully authorized and issued by the Issuer pursuant to the laws of the State of Wisconsin now in force and are valid and binding special obligations of the Issuer in accordance with their terms payable solely from the Revenues of the System. The Bonds, together with interest thereon, do not constitute an indebtedness of the Issuer nor a charge against its general credit or taxing power.

4. The interest on the Bonds is excludable for federal income tax purposes from the gross income of the owners of the Bonds. The interest on the Bonds is not an item of tax preference for purposes of the federal alternative minimum tax imposed by Section 55 of the Internal Revenue Code of 1986, as amended (the "Code") on corporations (as that term is defined for federal income tax purposes) and individuals. However, for purposes of computing the alternative minimum tax imposed on corporations, the interest on the Bonds is included in adjusted current earnings. The Code contains requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be or continue to be excludable from gross income for federal income tax purposes. Failure to comply with certain of those requirements could cause the interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The Issuer has agreed to comply with all of those requirements. The opinion set forth in the first sentence of this paragraph is subject to the condition that the Issuer comply with those requirements. We express no opinion regarding other federal tax consequences arising with respect to the Bonds.

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

We express no opinion regarding the creation, perfection or priority of any security interest in the Revenues or other funds created by the Bond Resolution or on the sufficiency of the Revenues.

The rights of the owners of the Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and similar laws affecting creditors' rights and may be subject to the exercise of judicial discretion in accordance with general principles of equity, whether considered at law or in equity.

This opinion is given as of the date hereof, and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law that may hereafter occur.

QUARLES & BRADY LLP

BOOK-ENTRY-ONLY SYSTEM

1. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.
3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.
4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]
6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.
7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).
8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.
9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.
10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.
11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.
12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

FORM OF CONTINUING DISCLOSURE CERTIFICATES

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Richmond, St. Croix County, Wisconsin (the "Issuer") in connection with the issuance of \$3,530,000 General Obligation Refunding Bonds, Series 2015A, dated August 26, 2015 (the "Securities"). The Securities are being issued pursuant to a Resolution adopted by the Governing Body of the Issuer on August 10, 2015 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Preliminary Official Statement dated July 30, 2015 (as supplemented by an Addendum dated August 11, 2015) delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of New Richmond, Wisconsin which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 156 East First Street, New Richmond, Wisconsin 54017, phone (715) 246-4268, fax (715) 246-7129.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2015, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. Direct Debt
2. Debt Limit
3. Current Property Valuations
4. Tax Levies and Collections

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the

Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 26th day of August, 2015.

Frederick Horne
Mayor

(SEAL)

Tanya N. Reigel
City Clerk

CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City of New Richmond, St. Croix County, Wisconsin (the "Issuer") in connection with the issuance of \$1,800,000 Electric Utility Revenue Refunding Bonds, Series 2015B, dated August 26, 2015 (the "Securities"). The Securities are being issued pursuant to a Resolution adopted by the Governing Body of the Issuer on August 10, 2015 (the "Resolution") and delivered to _____ (the "Purchaser") on the date hereof. Pursuant to the Resolution, the Issuer has covenanted and agreed to provide continuing disclosure of certain financial information and operating data and timely notices of the occurrence of certain events. In addition, the Issuer hereby specifically covenants and agrees as follows:

Section 1(a). Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the holders of the Securities in order to assist the Participating Underwriters within the meaning of the Rule (defined herein) in complying with SEC Rule 15c2-12(b)(5). References in this Disclosure Certificate to holders of the Securities shall include the beneficial owners of the Securities. This Disclosure Certificate constitutes the written Undertaking required by the Rule.

Section 1(b). Filing Requirements. Any filing under this Disclosure Certificate must be made solely by transmitting such filing to the MSRB (defined herein) through the Electronic Municipal Market Access ("EMMA") System at www.emma.msrb.org in the format prescribed by the MSRB. All documents provided to the MSRB shall be accompanied by the identifying information prescribed by the MSRB.

Section 2. Definitions. In addition to the defined terms set forth in the Resolution, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

"Annual Report" means any annual report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Audited Financial Statements" means the Issuer's annual financial statements, which are currently prepared in accordance with generally accepted accounting principles (GAAP) for governmental units as prescribed by the Governmental Accounting Standards Board (GASB) and which the Issuer intends to continue to prepare in substantially the same form.

"Final Official Statement" means the Preliminary Official Statement dated July 30, 2015 (as supplemented by an Addendum dated August 11, 2015) delivered in connection with the Securities, which is available from the MSRB.

"Fiscal Year" means the fiscal year of the Issuer.

"Governing Body" means the Common Council of the Issuer or such other body as may hereafter be the chief legislative body of the Issuer.

"Issuer" means the City of New Richmond, Wisconsin which is the obligated person with respect to the Securities.

"Issuer Contact" means the City Clerk of the Issuer who can be contacted at 156 East First Street, New Richmond, Wisconsin 54017, phone (715) 246-4268, fax (715) 246-7129.

"Listed Event" means any of the events listed in Section 5(a) of this Disclosure Certificate.

"MSRB" means the Municipal Securities Rulemaking Board located at 1900 Duke Street, Suite 600, Alexandria, Virginia 22314.

"Participating Underwriter" means any of the original underwriter(s) of the Securities (including the Purchaser) required to comply with the Rule in connection with the offering of the Securities.

"Rule" means SEC Rule 15c2-12(b)(5) promulgated by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time, and official interpretations thereof.

"SEC" means the Securities and Exchange Commission.

Section 3. Provision of Annual Report and Audited Financial Statements.

(a) The Issuer shall, not later than 365 days after the end of the Fiscal Year, commencing with the year that ends December 31, 2015, provide the MSRB with an Annual Report filed in accordance with Section 1(b) of this Disclosure Certificate and which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the Audited Financial Statements of the Issuer may be submitted separately from the balance of the Annual Report and that, if Audited Financial Statements are not available within 365 days after the end of the Fiscal Year, unaudited financial information will be provided, and Audited Financial Statements will be submitted to the MSRB when and if available.

(b) If the Issuer is unable or fails to provide to the MSRB an Annual Report by the date required in subsection (a), the Issuer shall send in a timely manner a notice of that fact to the MSRB in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 4. Content of Annual Report. The Issuer's Annual Report shall contain or incorporate by reference the Audited Financial Statements and updates of the following sections of the Final Official Statement to the extent such financial information and operating data are not included in the Audited Financial Statements:

1. Direct Debt
2. Debt Limit
3. Current Property Valuations
4. Description of the Electric Utility

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues of the Issuer or related public entities, which are available to the public on the MSRB's Internet website or filed with the SEC. The Issuer shall clearly identify each such other document so incorporated by reference.

Section 5. Reporting of Listed Events.

(a) This Section 5 shall govern the giving of notices of the occurrence of any of the following events with respect to the Securities:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults, if material;

3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Securities, or other material events affecting the tax status of the Securities;
7. Modification to rights of holders of the Securities, if material;
8. Securities calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the Securities, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the Issuer;
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event identified in subsection (a)12. above, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

(b) When a Listed Event occurs, the Issuer shall, in a timely manner not in excess of ten business days after the occurrence of the Listed Event, file a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in subsections (a) (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to holders of affected Securities pursuant to the Resolution.

(c) Unless otherwise required by law, the Issuer shall submit the information in the format prescribed by the MSRB, as described in Section 1(b) of this Disclosure Certificate.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under the Resolution and this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all the

Securities.

Section 7. Issuer Contact; Agent. Information may be obtained from the Issuer Contact. Additionally, the Issuer may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Resolution and this Disclosure Certificate, and may discharge any such agent, with or without appointing a successor dissemination agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of the Resolution or this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, if such amendment or waiver is supported by an opinion of nationally recognized bond counsel to the effect that such amendment or waiver would not, in and of itself, cause the undertakings to violate the Rule. The provisions of this Disclosure Certificate constituting the Undertaking or any provision hereof, shall be null and void in the event that the Issuer delivers to the MSRB an opinion of nationally recognized bond counsel to the effect that those portions of the Rule which require this Disclosure Certificate are invalid, have been repealed retroactively or otherwise do not apply to the Securities. The provisions of this Disclosure Certificate constituting the Undertaking may be amended without the consent of the holders of the Securities, but only upon the delivery by the Issuer to the MSRB of the proposed amendment and an opinion of nationally recognized bond counsel to the effect that such amendment, and giving effect thereto, will not adversely affect the compliance of this Disclosure Certificate and by the Issuer with the Rule.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. (a) Except as described in the Final Official Statement, in the previous five years, the Issuer has not failed to comply in all material respects with any previous undertakings under the Rule to provide annual reports or notices of events.

(b) In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate any holder of the Securities may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under the Resolution and this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an event of default with respect to the Securities and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Participating Underwriters and holders from time to time of the Securities, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, we have executed this Certificate in our official capacities effective the 26th day of August, 2015.

(SEAL)

Frederick Horne
Mayor

Tanya N. Reigl
City Clerk

APPENDIX E

NOTICE OF SALE

\$3,530,000* GENERAL OBLIGATION REFUNDING BONDS, SERIES 2015A CITY OF NEW RICHMOND, WISCONSIN

Bids for the purchase of \$3,530,000 General Obligation Refunding Bonds, Series 2015A (the "Series 2015A Bonds") of the City of New Richmond, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on August 10, 2015, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award by resolution at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Series 2015A Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Series 2015A Bonds of the City are authorized pursuant to Wisconsin Statutes, Section 67.04, to provide funds to current refund certain outstanding general obligations of the City. The Series 2015A Bonds are valid and binding general obligations of the City, and all the taxable property in the City is subject to the levy of a tax to pay the principal of and interest on the Bonds as they become due which tax may, under current law, be levied without limitation as to rate or amount.

DATES AND MATURITIES

The Series 2015A Bonds will be dated August 26, 2015, will be issued as fully registered Series 2015A Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on October 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2016	\$315,000	2020	\$340,000	2024	\$390,000
2017	320,000	2021	355,000	2025	400,000
2018	325,000	2022	365,000		
2019	340,000	2023	380,000		

ADJUSTMENT OPTION

* The City reserves the right to increase or decrease the principal amount of the Series 2015A Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Series 2015A Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2016, to the registered owners of the Series 2015A Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Series 2015A Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Series 2015A Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2015A Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Series 2015A Bonds. So long as Cede & Co. is the registered owner of the Series 2015A Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Series 2015A Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, MN, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, Series 2015A Bonds maturing on or after October 1, 2023 shall be subject to redemption prior to maturity on October 1, 2022 and on any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Series 2015A Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Series 2015A Bonds to be redeemed shall be at the discretion of the City. If only part of the Series 2015A Bonds having a common maturity date are called for redemption, then the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, to DTC not fewer than 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2015A Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about August 26, 2015, the Series 2015A Bonds will be delivered without cost to the winning bidder at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification, and certificates verifying that no litigation in any manner questioning the validity of the Series 2015A Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Series 2015A Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Series 2015A Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, bond counsel to the City, and will accompany the Series 2015A Bonds. The legal opinion will be issued on the basis of existing law and will state that the Series 2015A Bonds are valid and binding general obligations of the City; provided that the rights of the owners of the Series 2015A Bonds and the enforceability of the Series 2015A Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than \$3,494,700 plus accrued interest on the principal sum of \$3,530,000 from date of original issue of the Series 2015A Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

- 1) In a sealed envelope as described herein; or
- 2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A cashier's check in the amount of \$70,600 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit in the amount of \$70,600 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, MN, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such good faith deposit ("Deposit") shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Series 2015A Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Series 2015A Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. The Deposit will be returned to the Purchaser at the closing for the Series 2015A Bonds.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Series 2015A Bonds is adjourned, recessed, or continued to another date without award of the Series 2015A Bonds having been made.

AWARD

The Series 2015A Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Series 2015A Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Series 2015A Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Series 2015A Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Series 2015A Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Series 2015A Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Series 2015A Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Series 2015A Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Series 2015A Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

INFORMATION FROM WINNING BIDDER

The winning bidder will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Series 2015A Bonds necessary to compute the yield on the Series 2015A Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

PRELIMINARY OFFICIAL STATEMENT

Bidders may obtain a copy of the Preliminary Official Statement relating to the Series 2015A Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the link to the Bond Sales. The Syndicate Manager will be provided with an electronic copy and up to 10 printed copies upon request of the Final Official Statement within seven business days of the bid acceptance. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

City of New Richmond, Wisconsin

NOTICE OF SALE

\$1,800,000 ELECTRIC UTILITY REVENUE REFUNDING BONDS, SERIES 2015B CITY OF NEW RICHMOND, WISCONSIN**

Bids for the purchase of \$1,800,000 Electric Utility Revenue Refunding Bonds, Series 2015B (the "Series 2015B Bonds") of the City of New Richmond, Wisconsin (the "City") will be received at the offices of Ehlers & Associates, Inc. ("Ehlers"), 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Municipal Advisors to the City, until 10:00 A.M., Central Time, and **ELECTRONIC PROPOSALS** will be received via **PARITY**, in the manner described below, until 10:00 A.M. Central Time, on August 10, 2015, at which time they will be opened, read and tabulated. The bids will be presented to the Common Council for consideration for award at a meeting to be held at 7:00 P.M., Central Time, on the same date. The bid offering to purchase the Series 2015B Bonds upon the terms specified herein and most favorable to the City will be accepted unless all bids are rejected.

PURPOSE

The Series 2015B Bonds of the City are authorized pursuant to Wisconsin Statutes, Section 66.0621, to provide funds to current refund certain outstanding special obligations of the City. The Series 2015B Bonds are valid and binding special obligations of the City and are payable from electric revenues.

DATES AND MATURITIES

The Series 2015B Bonds will be dated August 26, 2015, will be issued as fully registered Series 2015B Bonds in the denomination of \$5,000 each, or any integral multiple thereof, and will mature on October 1 as follows:

<u>Year</u>	<u>Amount**</u>	<u>Year</u>	<u>Amount**</u>	<u>Year</u>	<u>Amount**</u>
2016	\$140,000	2020	\$160,000	2024	\$180,000
2017	150,000	2021	165,000	2025	185,000
2018	150,000	2022	170,000	2026	170,000
2019	155,000	2023	175,000		

ADJUSTMENT OPTION

** The City reserves the right to increase or decrease the principal amount of the Series 2015B Bonds on the day of sale, in increments of \$5,000. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

TERM BOND OPTION

Bids for the Series 2015B Bonds may contain a maturity schedule providing for any combination of serial bonds and term bonds, subject to mandatory redemption, so long as the amount of principal maturing or subject to mandatory redemption in each year conforms to the maturity schedule set forth above. All dates are inclusive.

INTEREST PAYMENT DATES AND RATES

Interest will be payable on April 1 and October 1 of each year, commencing April 1, 2016, to the registered owners of the Series 2015B Bonds appearing of record in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month. Interest will be computed upon the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the MSRB. **The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.)** All Series 2015B Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

BOOK-ENTRY-ONLY FORMAT

Unless otherwise specified by the purchaser, the Series 2015B Bonds will be designated in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Series 2015B Bonds, and will be responsible for maintaining a book-entry system for recording the interests of its participants and the transfers of interests between its participants. The participants will be responsible for maintaining records regarding the beneficial interests of the individual purchasers of the Series 2015B Bonds. So long as Cede & Co. is the registered owner of the Series 2015B Bonds, all payments of principal and interest will be made to the depository which, in turn, will be obligated to remit such payments to its participants for subsequent disbursement to the beneficial owners of the Series 2015B Bonds.

PAYING AGENT

The City has selected Bond Trust Services Corporation, Roseville, MN, to act as paying agent (the "Paying Agent"). The City will pay the charges for Paying Agent services. The City reserves the right to remove the Paying Agent and to appoint a successor.

OPTIONAL REDEMPTION

At the option of the City, Series 2015B Bonds maturing on or after October 1, 2024 shall be subject to prior payment on October 1, 2023 or any date thereafter, at a price of par plus accrued interest.

Redemption may be in whole or in part of the Series 2015B Bonds subject to prepayment. If redemption is in part, the selection of the amounts and maturities of the Series 2015B Bonds to be prepaid shall be at the discretion of the City. If only part of the Series 2015B Bonds having a common maturity date are called for prepayment, the City or Paying Agent, if any, will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interest in such maturity to be redeemed.

Notice of such call shall be given by sending a notice by registered or certified mail, facsimile or electronic transmission, overnight delivery service or in any other manner required by DTC, to DTC not fewer than 30 days but not more than 60 days prior to the date fixed for redemption to the registered owner of each Series 2015B Bond to be redeemed at the address shown on the registration books.

DELIVERY

On or about August 26, 2015, the Series 2015B Bonds will be delivered without cost to the original purchaser at DTC. On the day of closing, the City will furnish to the winning bidder the opinion of bond counsel hereinafter described, an arbitrage certification and certificates verifying that no litigation in any manner questioning the validity of the Series 2015B Bonds is then pending or, to the best knowledge of officers of the City, threatened. Payment for the Series 2015B Bonds must be received by the City at its designated depository on the date of closing in immediately available funds.

LEGAL OPINION

An opinion as to the validity of the Series 2015B Bonds and the exemption from federal taxation of the interest thereon will be furnished by Quarles & Brady LLP, bond counsel to the City, and will accompany the Series 2015B Bonds. The legal opinion will be issued on the basis of existing law and will state that the Series 2015B Bonds are valid and binding special obligations of the City; provided that the rights of the owners of the Series 2015B Bonds and the enforceability of the Series 2015B Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium, and other similar laws affecting creditors' rights and by equitable principles (which may be applied in either a legal or equitable proceeding).

SUBMISSION OF BIDS

Bids must not be for less than \$1,778,400 plus accrued interest on the principal sum of \$1,800,000 from date of original issue of the Series 2015B Bonds to date of delivery. A signed bid form must be submitted to Ehlers prior to the time established above for the opening of bids as follows:

- 1) In a sealed envelope as described herein; or
- 2) A facsimile submission to Ehlers, Facsimile Number (651) 697-8555; or
- 3) Electronically via **PARITY** in accordance with this Notice of Sale until 10:00 A.M. Central Time, but no bid will be received after the time for receiving bids specified above. To the extent any instructions or directions set forth in **PARITY** conflict with this Notice of Sale, the terms of this Notice of Sale shall control. For further information about **PARITY**, potential bidders may contact Ehlers or i-Deal LLC at 1359 Broadway, 2nd Floor, New York, NY 10018, Telephone (212) 849-5021.

Bids must be submitted to Ehlers via one of the methods described above and must be received prior to the time established above for the opening of bids. Each bid must be unconditional except as to legality. Neither the City nor Ehlers shall be responsible for any failure to receive a facsimile submission.

A cashier's check in the amount of \$36,000 may be submitted contemporaneously with the bid or, alternatively, a good faith deposit in the amount of \$36,000 shall be made by the winning bidder by wire transfer of funds to **KleinBank, 1550 Audubon Road, Chaska, MN, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such good faith deposit ("Deposit") shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Series 2015B Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received by such time. In the event the Deposit is not received as provided above, the City may award the Series 2015B Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. The Deposit will be retained by the City as liquidated damages if the bid is accepted and the Purchaser fails to comply therewith. The Deposit will be returned to the Purchaser at the closing for the Series 2015B Bonds.

The City and the winning bidder who chooses to so wire the Deposit hereby agree irrevocably that Ehlers shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: 1) All income earned thereon shall be retained by the escrow holder as payment for its expenses; 2) If the bid is not accepted, Ehlers shall, at its expense, promptly return the Deposit amount to the winning bidder; 3) If the bid is accepted, the Deposit shall be returned to the winning bidder at the closing; 4) Ehlers shall bear all costs of maintaining the escrow account and returning the funds to the winning bidder; 5) Ehlers shall not be an insurer of the Deposit amount and shall have no liability hereunder except if it willfully fails to perform or recklessly disregards, its duties specified herein; and 6) FDIC insurance on deposits within the escrow account shall be limited to \$250,000 per bidder.

No bid can be withdrawn after the time set for receiving bids unless the meeting of the City scheduled for award of the Series 2015B Bonds is adjourned, recessed, or continued to another date without award of the Series 2015B Bonds having been made.

AWARD

The Series 2015B Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a True Interest Cost (TIC) basis. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling. In the event of a tie, the sale of the Series 2015B Bonds will be awarded by lot. The City reserves the right to reject any and all bids and to waive any informality in any bid.

BOND INSURANCE

If the Series 2015B Bonds are qualified for any bond insurance policy, the purchase of such policy shall be at the sole option and expense of the winning bidder of the Series 2015B Bonds. Any cost for such insurance policy is to be paid by the winning bidder, except that, if the City requested and received a rating on the Series 2015B Bonds from a rating agency, the City will pay that rating fee. Any rating agency fees not requested by the City are the responsibility of the winning bidder.

Failure of the municipal bond insurer to issue the policy after the Series 2015B Bonds are awarded to the winning bidder shall not constitute cause for failure or refusal by the winning bidder to accept delivery of the Series 2015B Bonds.

CUSIP NUMBERS

The City will assume no obligation for the assignment or printing of CUSIP numbers on the Series 2015B Bonds or for the correctness of any numbers printed thereon, but will permit such numbers to be printed at the expense of the winning bidder, if the winning bidder waives any delay in delivery occasioned thereby.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will designate the Series 2015B Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

CONTINUING DISCLOSURE

In order to assist the Underwriters in complying with the provisions of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 the City will enter into an undertaking for the benefit of the holders of the Series 2015B Bonds. A description of the details and terms of the undertaking is set forth in Appendix D of the Preliminary Official Statement.

INFORMATION FROM WINNING BIDDER

The winning bidder will be required to provide, in a timely manner, certain information relating to the initial offering prices of the Series 2015B Bonds necessary to compute the yield on the Series 2015B Bonds pursuant to the provisions of the Internal Revenue Code of 1986, as amended.

PRELIMINARY OFFICIAL STATEMENT

Underwriters may obtain a copy of the Preliminary Official Statement relating to the Series 2015B Bonds prior to the bid opening by request from Ehlers at www.ehlers-inc.com by connecting to the link to the Bond Sales. The Syndicate Manager will be provided with an electronic copy and up to 10 printed copies of the Final Official Statement upon request within seven business days of the bid acceptance. Additional copies of the Final Official Statement will be available at a cost of \$10.00 per copy.

Information for bidders and bid forms may be obtained from Ehlers at 3060 Centre Pointe Drive, Roseville, Minnesota 55113-1105, Telephone (651) 697-8500.

By Order of the Common Council

City of New Richmond, Wisconsin

BID FORM

The Common Council
City of New Richmond, Wisconsin

August 10, 2015

RE: \$3,530,000* General Obligation Refunding Bonds, Series 2015A
DATED: August 26, 2015

For all or none of the above Series 2015A Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the Purchaser) as stated in this Preliminary Official Statement, we will pay you \$_____ (not less than \$3,494,700) plus accrued interest to date of delivery for fully registered Series 2015A Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due	2016	_____ % due	2020	_____ % due	2024
_____ % due	2017	_____ % due	2021	_____ % due	2025
_____ % due	2018	_____ % due	2022		
_____ % due	2019	_____ % due	2023		

* The City reserves the right to increase or decrease the principal amount of the Series 2015A Bonds on the day of sale, in increments of \$5,000 each. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%.) All Series 2015A Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our good faith deposit in the amount of \$70,600, to be held by you pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our good faith deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such good faith deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Series 2015A Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Series 2015A Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Series 2015A Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about August 26, 2015.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Series 2015A Bonds within 24 hours of the bid acceptance.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 26, 2015 of the above bid is \$_____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of New Richmond, Wisconsin, on August 10, 2015.

By: _____ By: _____
Title: _____ Title: _____

BID FORM

**The Common Council
City of New Richmond, Wisconsin**

August 10, 2015

RE: \$1,800,000 Electric Utility Revenue Refunding Bonds, Series 2015B**
DATED: August 26, 2015

For all or none of the above Series 2015B Bonds, in accordance with the Notice of Sale and terms of the Global Book-Entry System (unless otherwise specified by the purchaser) as stated in this Preliminary Official Statement, we will pay you \$ _____ (not less than \$1,778,400) plus accrued interest to date of delivery for fully registered Series 2015B Bonds bearing interest rates and maturing in the stated years as follows:

_____ % due 2016	_____ % due 2020	_____ % due 2024
_____ % due 2017	_____ % due 2021	_____ % due 2025
_____ % due 2018	_____ % due 2022	_____ % due 2026
_____ % due 2019	_____ % due 2023	

** The City reserves the right to increase or decrease the principal amount of the Series 2015B Bonds on the day of sale, in increments of \$5,000. Increases or decreases may be made in any maturity. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000.

The rate for any maturity may not be more than 1.00% less than the rate for any preceding maturity. (For example, if a rate of 4.50% is proposed for the 2017 maturity, then the lowest rate that may be proposed for any later maturity is 3.50%). All Series 2015B Bonds of the same maturity must bear interest from date of issue until paid at a single, uniform rate. Each rate must be expressed in an integral multiple of 5/100 or 1/8 of 1%.

We enclose our good faith deposit in the amount of \$36,000, to be held by you pending delivery and payment. Alternatively, if we are the winning bidder, we will wire our good faith deposit to **KleinBank, 1550 Audubon Road, Chaska, Minnesota, ABA No. 091915654 for credit: Ehlers & Associates Good Faith Account No. 3208138**. Such good faith deposit shall be received by Ehlers & Associates no later than two hours after the bid opening time. The City reserves the right to award the Series 2015B Bonds to a winning bidder whose wire transfer is initiated but not received by such time provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the City may award the Series 2015B Bonds to the bidder submitting the next best bid provided such bidder agrees to such award. If our bid is not accepted, said deposit shall be promptly returned to us. If the good faith deposit is wired to such escrow account, we agree to the conditions and duties of Ehlers & Associates, Inc., as escrow holder of the good faith deposit, pursuant to the Notice of Sale. This bid is for prompt acceptance and is conditional upon delivery of said Series 2015B Bonds to The Depository Trust Company, New York, New York, in accordance with the Notice of Sale. Delivery is anticipated to be on or about August 26, 2015.

This bid is subject to the City's agreement to enter into a written undertaking to provide continuing disclosure under Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 as described in the Preliminary Official Statement for this Issue.

We have received and reviewed the Preliminary Official Statement and have submitted our requests for additional information or corrections to the Final Official Statement. As Syndicate Manager, we agree to provide the City with the reoffering price of the Series 2015B Bonds within 24 hours of the bid acceptance.

Account Manager: _____ By: _____
Account Members:

Award will be on a true interest cost basis. According to our computations (the correct computation being controlling in the award), the total dollar interest cost (including any discount or less any premium) computed from August 26, 2015 of the above bid is \$ _____ and the true interest cost (TIC) is _____%.

The foregoing offer is hereby accepted by and on behalf of the Common Council of the City of New Richmond, Wisconsin, on August 10, 2015.

By: _____ By: _____

Title: _____ Title: _____