

**CITY OF LA CROSSE, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2023**

# CITY OF LA CROSSE, WISCONSIN

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## **INDEPENDENT AUDITORS' REPORT**

To the Common Council  
City of La Crosse, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse, Wisconsin (the "City"), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditors' Responsibilities for the Audit of the Financial Statements***

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

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are 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. Such 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 and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 29, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
July 29, 2024

**CITY OF LA CROSSE, WISCONSIN**  
**MANAGEMENT'S DISCUSSION & ANALYSIS**



## **The City of La Crosse, Wisconsin - Management's Discussion and Analysis for the year ended December 31, 2023**

As management of the City of La Crosse, Wisconsin we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City of La Crosse for the fiscal year ended December 31, 2023. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which follow this narrative.

### **The Financial Highlights**

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses can be considered the City's operating results. The City's net position as measured in the Statement of Net Position is one measure of the City's financial position, or financial health. Over time, increases or decreases in the City's net position, as measured in the Statement of Activities are one indicator of whether the City's financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, the traffic and business generated by having a City owned and maintained airport, the revitalized historic downtown area, and the overall quality of life in assessing the overall health of our City.

- The assets of the City of La Crosse exceeded its liabilities as of December 31, 2023 by \$535,963,062 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$13,353,367.
- As of December 31, 2023, the City of La Crosse's governmental funds reported combined ending fund balances of \$91,186,580, a decrease of \$5,536,523 in comparison with the prior year. As of December 31, 2023, the unassigned fund balance for the general fund was \$17,899,100 or approximately 29.71% of total general fund expenditures.
- The City of La Crosse's total general obligation debt increased by \$5,189,911 or 3.80% during 2023. This increase is attributable to the planning and financing of future capital improvement projects. The City funded \$17,465,000 in capital improvement projects and new equipment purchases as listed in the City's five-year



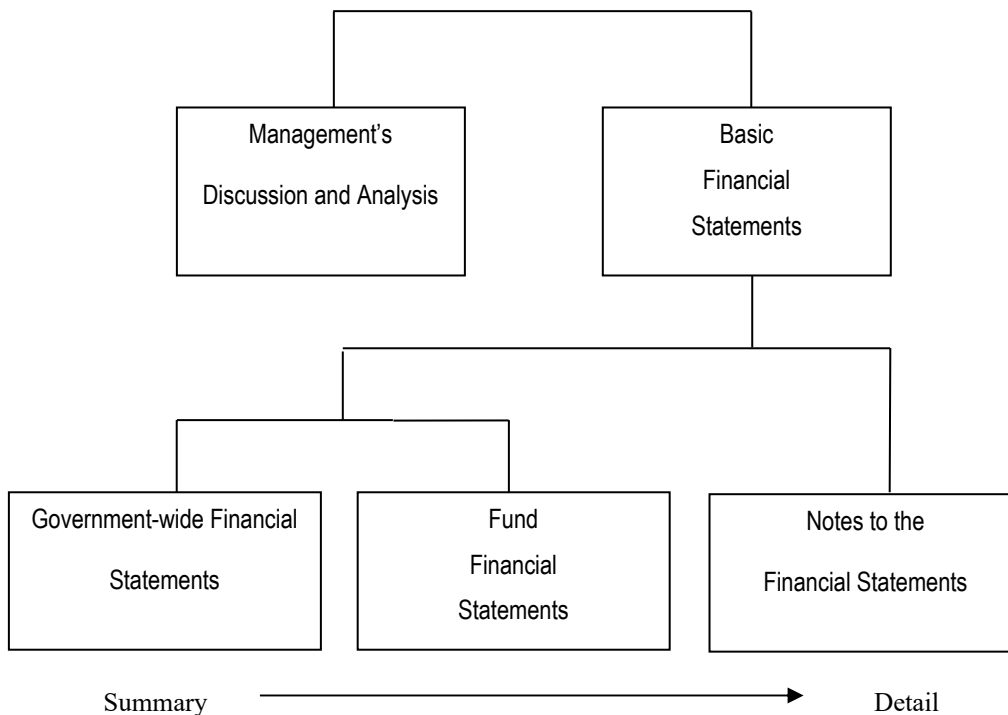
Capital Improvement Budget and through approved Council resolutions utilizing new borrowed funds. Those projects included various street, streetscaping, alley, bridge, civic center, fire, library, park, storm sewer, transit, airport, and water projects.

## Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of La Crosse, Wisconsin's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). This report also contains other supplementary information in addition to the basic financial statements themselves that will enhance the reader's understanding of the financial condition of the City of La Crosse, Wisconsin.

Required Components of the Annual Financial Report

Figure 1



## Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund

Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds in the form of combining statements. Budgetary information can be found in this part of the statements.

### **Government-wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the City of La Crosse's finances, in a manner similar to a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and total liabilities. Measuring net position is one way to gauge the City's financial condition.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of La Crosse that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the City of La Crosse include general government, public safety, public works, health and human services, culture, recreation and leisure, and conservation and development. The business-type activities of the City of La Crosse include: Airport, Parking, Sanitary Sewer Utility, Sanitary Sewer District, Storm Water Utility, and a Water Utility.

The government-wide financial statements include only the activities of the City of La Crosse, Wisconsin.

## **Fund Financial Statements**

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of La Crosse, Wisconsin, like all other governmental entities in Wisconsin, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the State of Wisconsin Statutes or the City's budget resolution. All the funds of the City of La Crosse, Wisconsin can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

### **Governmental Funds**

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of La Crosse maintains approximately 45 individual governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, HUD Programs, and the Debt Service Fund, each of which is considered to be a major fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of La Crosse adopts an annual appropriated budget for its general fund as required by State Statute. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Mayor and Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary comparison schedule provided for the General Fund demonstrates how well the City complied with the budget resolution and whether or not the City succeeded in providing the services as planned when the budget was adopted. The statement shows four columns: 1) the original budget as adopted by the Common Council; 2) the final budget as amended by the Common Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual revenues and expenditures.

## **Proprietary Funds**

The City of La Crosse maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of La Crosse uses enterprise funds to account for its Airport, Parking, Sanitary Sewer Utility, Sanitary Sewer District, Stormwater Utility, and Water Utility. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of La Crosse's various functions. The City of La Crosse uses internal service funds to account for its Liability Self-Insurance program, its Worker's Comp Self-Insurance program, its Stockroom, its Employee's Health Self-Insurance program, and its Health Care Cost Containment program. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Parking Utility, Sanitary Sewer Utility, Sanitary Sewer District, Storm Water Utility, and Water Utility, which are considered to be major funds of the City of La Crosse. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

## **Fiduciary Funds**

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of La Crosse's programs. The agency funds maintained by the City are primarily the tax collection fund which records the tax roll and tax collections for other taxing jurisdictions and various other trust funds. The accounting used for fiduciary funds is much like that used for governmental funds.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of La Crosse, Wisconsin. Required supplementary information can be found following the notes to the financial statements.

## Government-wide Financial Analysis

As noted earlier, net position may serve over time as one of the useful indicators of a government's financial condition. The assets of the City of La Crosse exceeded liabilities by \$535,963,062 as of December 31, 2023. The City's net position increased by \$13,353,367 for the fiscal year ended December 31, 2023. However, the largest portion of the City's net position (84.32%) reflects the City's investment in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt still outstanding that was issued to acquire those items. The City of La Crosse uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of La Crosse's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

### The City of La Crosse, Wisconsin's Net Position (in thousands of dollars)

ASSETS	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets, net of Capital Assets	\$ 207,180	\$ 233,003	\$ 38,734	\$ 26,169	\$ 245,914	\$ 259,172
Capital Assets not Depreciated	72,064	114,080	105,743	91,561	177,807	205,641
Capital Assets, net of Depreciation	282,564	217,817	164,419	157,120	446,983	374,937
TOTAL ASSETS	<u>\$ 561,808</u>	<u>\$ 564,900</u>	<u>\$ 308,896</u>	<u>\$ 274,850</u>	<u>\$ 870,704</u>	<u>\$ 839,750</u>
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	59,325	49,145	4,871	4,146	64,196	53,291
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 621,133</u>	<u>\$ 614,045</u>	<u>\$ 313,767</u>	<u>\$ 278,996</u>	<u>\$ 934,900</u>	<u>\$ 893,041</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND LIABILITIES						
TOTAL LIABILITIES	<u>\$ 216,994</u>	<u>\$ 196,650</u>	<u>\$ 80,485</u>	<u>\$ 50,743</u>	<u>\$ 297,479</u>	<u>\$ 247,393</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Tax Roll	\$ 56,089	\$ 49,589	\$ 2,646	\$ 1,996	\$ 58,735	\$ 51,585
Wisconsin Retirement System Pension/OPEB	39,166	65,826	3,556	5,627	42,722	71,453
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 95,255</u>	<u>\$ 115,415</u>	<u>\$ 6,202</u>	<u>\$ 7,623</u>	<u>\$ 101,457</u>	<u>\$ 123,038</u>
NET POSITION						
Net Investment in Capital Assets	\$ 249,846	\$ 233,077	\$ 202,069	\$ 206,172	\$ 451,915	\$ 439,249
Restricted For:						
Special Revenue	1,060	1,224	-	-	1,060	1,224
Debt Service	17,527	6,986	-	-	17,527	6,986
Capital Projects	37,333	43,116	4,254	2,926	41,587	46,042
Other Activities	-	23,023	-	1,822	-	24,845
Unrestricted	3,118	(5,446)	20,756	9,710	23,874	4,264
TOTAL NET POSITION	<u>\$ 308,884</u>	<u>\$ 301,980</u>	<u>\$ 227,079</u>	<u>\$ 220,630</u>	<u>\$ 535,963</u>	<u>\$ 522,610</u>

An additional portion of the City's net position of \$60,174,889 (11.23%) represents resources that are subject to external restrictions on how they may be used.

The City's total net position increased \$13,353,367 during the year. This increase was comprised of an increase in governmental type activities of \$6,904,146 and an increase in the business type activities of \$6,449,221 during the year. This change is generally due to the application of GASB Statement 75, Other post-employment benefits and the increased investment in capital assets.

### **Governmental Activities**

Governmental activities increased the City of La Crosse's net position by \$6,904,146. Key elements of this increase are:

- Net Investment in Capital Assets increased by over \$12,500,000 due to increased investment in capital assets.
- Departments were required to keep 2023 budgets at 2022 levels unless increases were justified and approved by the Council.
- Actual expenditures for 2023 increased over \$2,345,000 compared to 2022, while the revenue was over \$4,764,000 higher when compared to 2022.
- Interest and investment income increased over \$8,181,000 in 2023 compared to 2022.

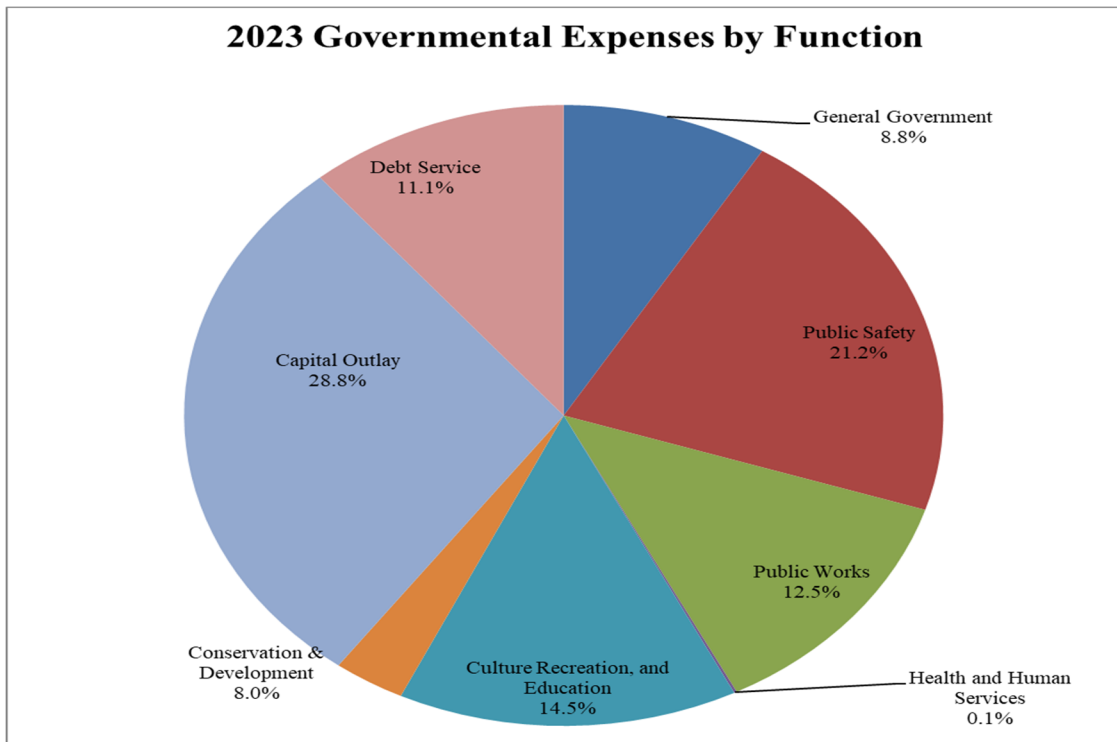
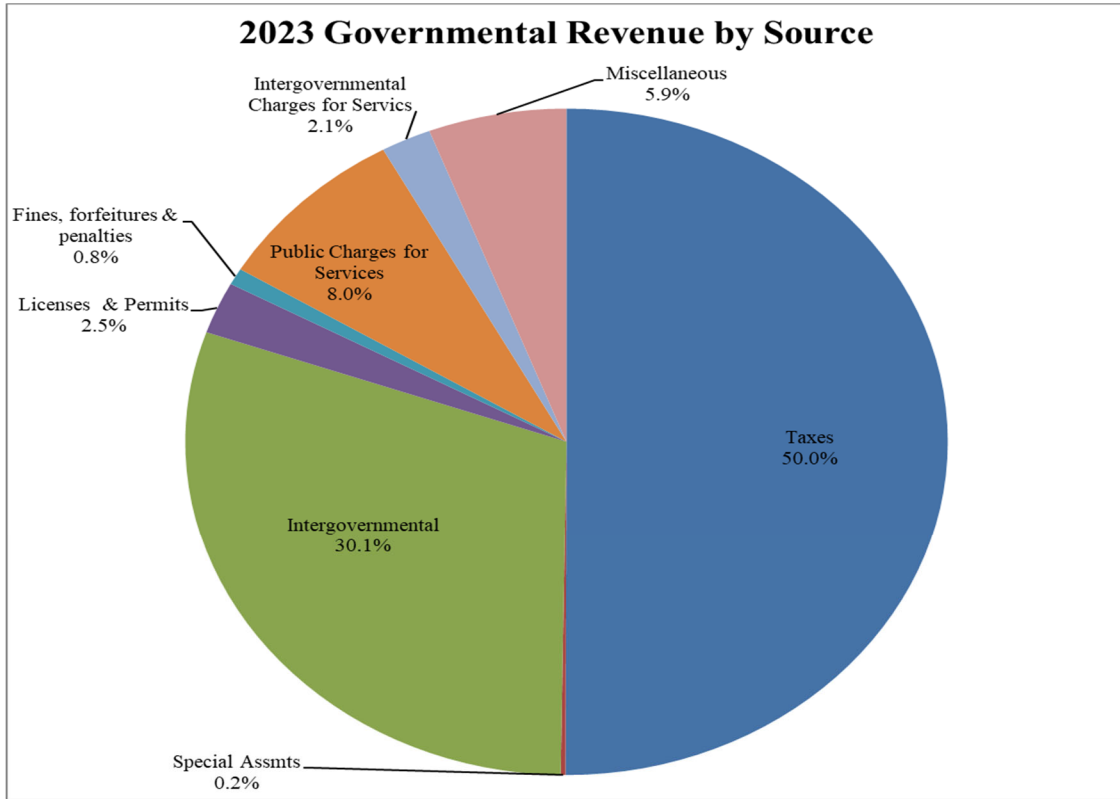
The following table represents the City's summarized operating results and their impact on net assets.

**The City of La Crosse, Wisconsin's Changes in Net Position**  
(in thousands of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 14,402	\$ 16,288	\$ 26,399	\$ 24,657	\$ 40,801	\$ 40,945
Grants & Contributions	20,191	19,652	2,258	7,468	22,449	27,120
General Revenues:						
Taxes	52,988	56,445	-	-	52,988	56,445
State Shared Revenue	12,476	13,601	-	-	12,476	13,601
Interest and investment income	6,517	(1,664)	1,120	457	7,637	(1,207)
Miscellaneous	1,435	4,733	11	20	1,446	4,753
Total Revenues	<u>\$ 108,009</u>	<u>\$ 109,055</u>	<u>\$ 29,788</u>	<u>\$ 32,602</u>	<u>\$ 137,797</u>	<u>\$ 141,657</u>
<b>Expenses:</b>						
General Government	\$ 14,040	\$ 13,124	\$ -	\$ -	\$ 14,040	\$ 13,124
Public Safety	31,667	23,346	-	-	31,667	23,346
Public Works	26,046	23,736	-	-	26,046	23,736
Health and Human Services	166	197	-	-	166	197
Culture, Recreation and Education	21,903	16,953	-	-	21,903	16,953
Conservation & Development	4,181	3,464	-	-	4,181	3,464
Principal, Interest & Fiscal Charges	2,924	2,509	-	-	2,924	2,509
Airport	-	-	4,978	4,021	4,978	4,021
Parking	-	-	3,734	3,302	3,734	3,302
Water	-	-	4,587	4,344	4,587	4,344
Sanitary Sewer	-	-	8,450	6,683	8,450	6,683
Storm Water	-	-	1,682	1,513	1,682	1,513
Other Business-type Activities	-	-	85	79	85	79
Total Expenses	<u>\$ 100,927</u>	<u>\$ 83,329</u>	<u>\$ 23,516</u>	<u>\$ 19,942</u>	<u>\$ 124,443</u>	<u>\$ 103,271</u>
Change in Net Position before Transfers	\$ 7,082	\$ 25,726	\$ 6,272	\$ 12,660	\$ 13,354	\$ 38,386
Transfers	(178)	(232)	178	232	-	-
Change in Net Position	<u>\$ 6,904</u>	<u>\$ 25,494</u>	<u>\$ 6,450</u>	<u>\$ 12,892</u>	<u>\$ 13,354</u>	<u>\$ 38,386</u>
Net Position, beginning of year	301,980	276,486	220,630	207,738	522,610	484,224
Prior Period Adjustment	-	-	-	-	-	-
Equity Transfers	-	-	-	-	-	-
<b>Net Position, end of year</b>	<u><u>\$ 308,884</u></u>	<u><u>\$ 301,980</u></u>	<u><u>\$ 227,080</u></u>	<u><u>\$ 220,630</u></u>	<u><u>\$ 535,964</u></u>	<u><u>\$ 522,610</u></u>

Governmental Activities expenditures were higher for 2023 compared to 2022 by over \$17,500,000, generally due to high inflationary costs, salary increases, and facilities and programs continuing to return to pre pandemic levels.

The following two charts represent revenues by source and expenses by function for the City's Governmental Activities for 2023.





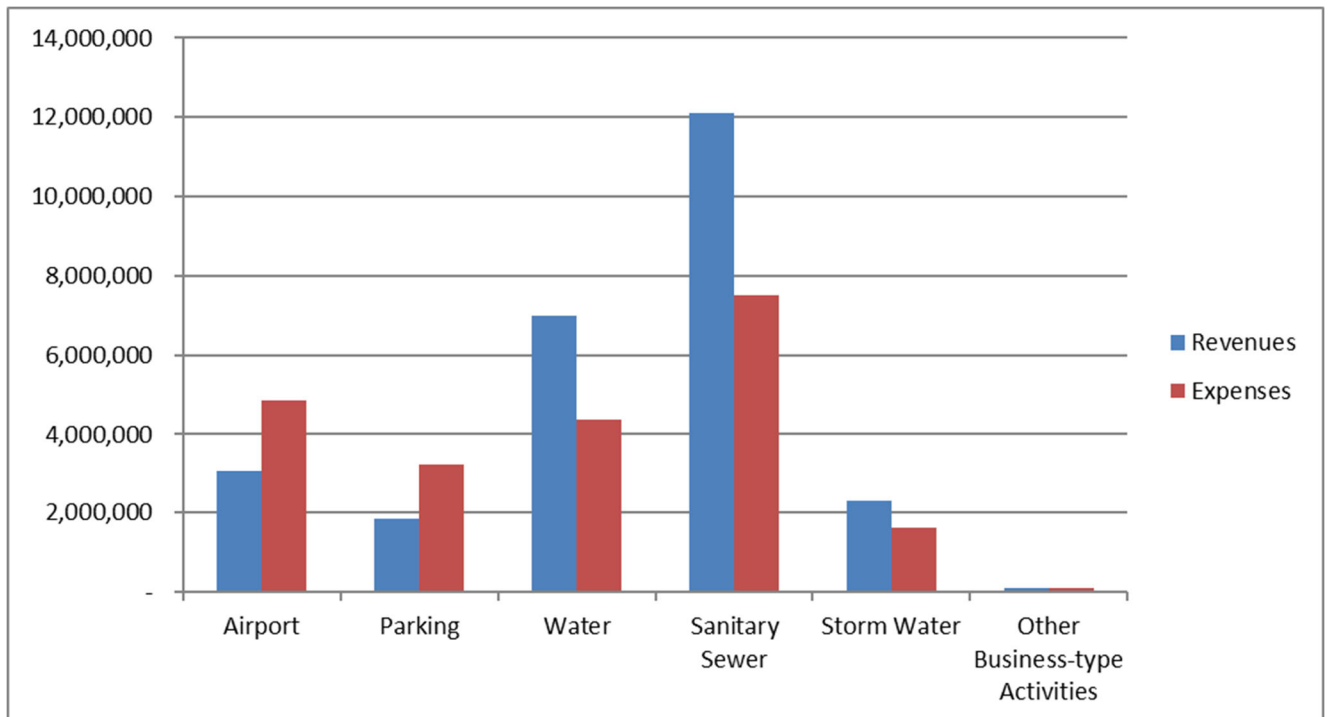
## Business-type Activities

Business-type activities increased the City’s net position by \$6,449,221. The major contributing factors to this increase for the business-type activities are as follows:

- An increase in net investment in capital assets due to finalizing several large projects.
- The Water Utility is self-supporting, operating on revenues from the sales of water and from private and public fire protection. The current water rate is designed to provide a 4.0% return on the rate base. The Common Council requires future water rates be reviewed every two years with the next review scheduled to take place in 2025.
- The current Sanitary Sewer Utility and Storm Water Utility rates are designed to meet cash requirements, be consistent with existing rate design structure to maintain equitability between different sizes and classes of customers, fund capital projects, and meet debt coverage requirements.

The following chart represents the operating revenues and expenses for 2023 for the City’s Business-Type Activities.

### City of La Crosse, Wisconsin – 2023 Business-Type Activities Expense & Revenue



## Financial Analysis of the Governmental Funds

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

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The remaining fund balance is designated as either nonspendable, restricted, or committed to indicate that it is not available for new spending because it has already been committed for other items.

As of December 31, 2023, the City of La Crosse's governmental funds reported combined ending fund balances of \$91,186,580. Of this amount, \$21,145,491 is attributable to the General Fund balance and is designated as follows: \$3,246,391 or approximately 15.35% is designated as Nonspendable; \$17,899,100 or approximately 84.65% is designated as Unassigned.

This Unassigned fund balance represents approximately 29.71% of total general fund expenditures for 2023. The total general fund balance increased by \$1,799,269 in fiscal year 2023. Actual expenditures failed to meet final amended budgeted expenditures by approximately (\$566,325) (-0.80%). Actual revenue sources exceeded the final amended budgeted revenues in the general fund by \$2,333,852 (3.40%).

The actual revenues were higher than budgeted primarily due to:

- There was a gain in FMV of investments of \$2,485,607.
- The La Crosse Center's revenue was outperformed budget by \$330,880 due to increased activity and increased room tax collected.
- Investment earnings exceeded expectation by \$1,295,272.

The major budget variances in the expenditure category are:

- Public Safety overspent its budget by \$605,797.
- Public Works underspent its budget by \$768,878.
- General Government overspent its collective departmental budgets by \$566,325.
- Culture, recreation, and education exceeded its collective budget by \$55,064.

## Proprietary Funds

The City of La Crosse, Wisconsin's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

### The City of La Crosse, Wisconsin's Net Position Business-type Funds (in thousands of dollars)

	Net Position		Change in Net Position	
	2023	2022	2023	2022
Airport	\$ 76,901	\$ 76,123	\$ 778	\$ 5,905
Parking	33,916	34,551	(635)	(1,368)
Water Utility	40,203	38,107	2,096	6,478
Sewer Utility	50,362	46,265	4,097	8,631
Storm Water Utility	23,397	22,590	807	7,823
Sanitary Sewer District	670	663	7	43
Total	<u>\$ 225,449</u>	<u>\$ 218,299</u>	<u>\$ 7,150</u>	<u>\$ 27,512</u>

## General Fund Budgetary Highlights

Differences between the original budget and the final amended budget can be briefly summarized as follows:

- Amendments made to adjust the estimates that are used to prepare the original budget.
- Amendments made to recognize new funding amounts from external sources.
- Increases in appropriations that became necessary to maintain services.

Actual revenues and other sources including transfers in and out were more than budgeted revenues by \$2,333,852 with a primary driver of that increase driven by an unbudgeted gain on the fair market value of the City's investments. Actual expenditures were less than budgeted expenditures by \$566,325.

Revenues were more than budgetary estimates and expenditures came in under budget; the City's General Fund "Unassigned" balance increased by \$2,047,575. The City's General Fund-fund balance is 29.71% of 2023 General Fund actual expenditures.

## Capital Assets and Debt Administration

### Capital Assets

The City of La Crosse's net investment in capital assets for its governmental and business-type activities as of December 31, 2023, is \$451,915,024 (net of accumulated depreciation), an increase of \$12,666,296 (2.88%). This investment in capital assets includes land, buildings, building improvements, improvements other than buildings, machinery & equipment, infrastructure, and construction work in progress. The total increase in the City's investment in capital assets for the current fiscal year consisted of a \$16,768,541 (7.19%) increase for governmental activities and a (\$4,102,245) (-1.99%) decrease for business-type activities.

The following capital improvement projects for 2023 are contained and financed in the City's 2023-2027 five-year Capital Improvement Program budget:

- Airport facility and runway upgrades – approximately \$4,932,500.
- Capital Equipment purchases for various departments - approximately \$7,284,000.
- Various Park projects - approximately \$1,385,000.
- Sanitary Sewer infrastructure improvement projects - approximately \$2,275,000.
- Storm water improvement projects - approximately \$1,431,500.
- Water improvement projects – approximately \$1,788,800.
- Various street and streetscaping improvement projects - approximately \$10,854,521. Major projects include the reconstruction of 4 roads (2<sup>nd</sup> Street South, Eastwood Land and Olson Court, Cliffwood Lane, and Haas St.)
- Various Economic Development and Housing projects – approximately \$820,000.
- Various City Facilities Improvement projects – approximately \$7,050,000. Major projects including funding towards the construction of a new fire station \$4,425,000, funding towards a remodel of the Police Department \$750,000, and the renovation of City Hall 5<sup>th</sup> floor \$700,000.

**The City of La Crosse, Wisconsin's Capital Assets**  
(in thousands of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2023	2022	2023	2022	2023	2022
Land and Land Improvements	\$ 13,344	\$ 13,029	\$ 7,823	\$ 7,823	\$ 21,167	\$ 20,852
Buildings and Improvements	135,309	90,777	48,249	45,029	183,558	135,806
Machinery and Equipment	82,069	70,761	18,990	18,233	101,059	88,994
Infrastructure/systems	187,713	172,768	185,537	177,021	373,250	349,789
Construction in Progress	58,720	101,051	101,907	87,725	160,627	188,776
Less: Accumulated Depreciation	(122,959)	(116,488)	(92,385)	(87,150)	(215,344)	(203,638)
<b>Total</b>	<b>\$354,196</b>	<b>\$331,898</b>	<b>\$270,121</b>	<b>\$248,681</b>	<b>\$624,317</b>	<b>\$580,579</b>

**Long-term Debt**

The City's bond rating is AA by Standard & Poor's. Due to this rating the City is able to borrow at favorable interest rates for capital projects included in its annual capital improvement budget and for other special projects.

At the end of the 2023 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$141,794,333 entirely backed by the full faith and credit of the government. This represents an increase of \$5,189,911 compared to the total general obligation debt outstanding as of the end of fiscal year 2022. This increase is due primarily to scheduled borrowing for equipment and capital projects.

In 2023, the City sold two new debt instruments. Issues A and B were dated August 10, 2023. Issue A was for 15-year Corporate Purpose Bonds for \$11,885,000 at a net interest rate of 3.562%. Issue B was for 10-year Promissory Notes for \$5,580,000 at a net interest rate of 3.278%. Series A and B funded a portion of the City's \$38,616,619 annual capital improvement program budget and its various projects: Street and Streetscaping projects, Bridge projects, Storm Sewer projects, Fire projects, Water Projects, Library projects, Park projects, and Miscellaneous Tax Incremental Financing projects. The issues were rated AA by Standard & Poor's.

Wisconsin State Statutes limit the amount of general obligation debt a governmental entity may issue up to 5% of its total equalized valuation. The City of La Crosse has adopted a more stringent debt borrowing policy that states that its outstanding debt will not exceed 75% of the 5% State Statute allowable legal debt margin unless authorized by a 2/3 vote of the City Council. In addition, the City will not borrow a larger amount than is retired in the current year unless overridden by a 2/3 vote of the City Council. The current legal debt limitation for the City of La Crosse is \$273,066,680 and its outstanding debt subject to State statutory limit as of December 31, 2023 is \$141,794,333 or approximately 51.93% of the statutory limit. After calculating the amounts available in the Debt Service Fund of \$18,527,201 which results in a net margin of indebtedness of \$149,799,548.

**State Statutory Debt Limit**

	2023	2022
State Debt Limit (5% of equalized value)	\$ 273,066,680	\$ 256,563,940
Applicable long-term debt	(141,794,333)	(136,604,422)
Amount available in debt service fund	18,527,201	18,086,098
Margin of Indebtness	149,799,548	138,045,616

**City Policy Debt Limit**

	2023	2022
City Debt Limit (75% of State Limit)	\$ 204,800,010	\$ 192,422,955
Applicable long-term debt	(141,794,333)	(136,604,422)
Amount available in debt service fund	18,527,201	18,086,098
Margin of Indebtness	81,532,878	73,904,631

**Economic Factors Influencing the City of La Crosse, Wisconsin’s Future**

- The 2023 unadjusted unemployment rate for the La Crosse MSA was 2.6% compared to the State average of 3.0% and compared to the National average of 3.5%.
- Inflationary trends in the region are comparable to national indices.

**Requests for Information**

This financial report is designed to provide a general overview of the City of La Crosse, Wisconsin’s finances for all those with an interest in the government’s finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, 400 La Crosse Street, La Crosse, Wisconsin 54601.

**CITY OF LA CROSSE, WISCONSIN**  
**BASIC FINANCIAL STATEMENTS**

**CITY OF LA CROSSE, WISCONSIN**  
**GOVERNMENT-WIDE FINANCIAL STATEMENTS**



**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>ASSETS</b>				
Cash and investments	\$ 112,917,618	\$ 22,808,374	\$ 135,725,992	\$ 1,398,071
Receivables				
Taxes	54,568,914	722,683	55,291,597	-
Accounts and other	5,198,648	5,184,435	10,383,083	-
Special assessments	533,547	4,528	538,075	-
Loans	13,194,016	-	13,194,016	338,000
Internal balances	(2,007,614)	2,007,614	-	-
Due from other governments	5,997,170	-	5,997,170	-
Inventories	385,474	746,694	1,132,168	-
Prepays	568,357	525,197	1,093,554	-
Leases receivable	2,063,121	2,476,250	4,539,371	-
Restricted assets				
Cash and investments	13,760,344	4,254,043	18,014,387	-
Other assets	-	3,375	3,375	-
Capital assets (net of accumulated depreciation/amortization)				
Capital assets not being depreciated	72,064,294	105,743,277	177,807,571	21,012,527
Capital assets being depreciated	282,131,105	164,377,731	446,508,836	-
SBITA assets being amortized	433,179	41,340	474,519	-
<b>TOTAL ASSETS</b>	<b>561,808,173</b>	<b>308,895,541</b>	<b>870,703,714</b>	<b>22,748,598</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System pension	56,276,977	4,414,065	60,691,042	-
Wisconsin Retirement System LRLIF	1,419,475	281,473	1,700,948	-
OPEB healthcare	1,628,359	175,670	1,804,029	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>59,324,811</b>	<b>4,871,208</b>	<b>64,196,019</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 621,132,984</b>	<b>\$ 313,766,749</b>	<b>\$ 934,899,733</b>	<b>\$ 22,748,598</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 16,577,365	\$ 6,485,615	\$ 23,062,980	\$ -
Accrued liabilities				
Payroll	1,585,608	183,504	1,769,112	-
Interest	1,050,979	260,578	1,311,557	-
Other	535,487	134	535,621	-
Due to other governments	1,465,086	1,127	1,466,213	-
Deposit payable	291,041	-	291,041	-
Unearned revenue - other	13,976,782	-	13,976,782	-
Current portion of long-term obligations	18,521,422	4,789,529	23,310,951	-
Noncurrent portion of long-term obligations	162,989,945	68,764,344	231,754,289	6,890,000
<b>TOTAL LIABILITIES</b>	<b>216,993,715</b>	<b>80,484,831</b>	<b>297,478,546</b>	<b>6,890,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - tax roll	54,056,280	174,058	54,230,338	-
Leases	2,032,700	2,472,211	4,504,911	-
Wisconsin Retirement System pension	31,381,593	2,461,404	33,842,997	-
Wisconsin Retirement System LRLIF	2,825,298	560,237	3,385,535	-
OPEB healthcare	4,959,323	535,021	5,494,344	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>95,255,194</b>	<b>6,202,931</b>	<b>101,458,125</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	249,845,550	202,069,474	451,915,024	14,122,527
Restricted for				
Special revenue	1,060,385	-	1,060,385	-
Debt service	17,527,201	-	17,527,201	-
Capital projects	37,333,260	4,254,043	41,587,303	-
Unrestricted	3,117,679	20,755,470	23,873,149	1,736,071
<b>TOTAL NET POSITION</b>	<b>308,884,075</b>	<b>227,078,987</b>	<b>535,963,062</b>	<b>15,858,598</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 621,132,984</b>	<b>\$ 313,766,749</b>	<b>\$ 934,899,733</b>	<b>\$ 22,748,598</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			COMPONENT UNIT
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
<b>PRIMARY GOVERNMENT</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ 14,039,979	\$ 2,414,867	\$ 4,945,586	\$ -	\$ (6,679,526)		\$ (6,679,526)	
Public safety	31,666,543	1,244,053	1,960,931	-	(28,461,559)		(28,461,559)	
Public works	26,046,103	1,545,551	9,972,871	-	(14,527,681)		(14,527,681)	
Health and human services	165,966	-	-	-	(165,966)		(165,966)	
Culture, recreation and education	21,902,920	8,314,134	1,584,209	-	(12,004,577)		(12,004,577)	
Conservation and development	4,180,829	883,365	1,727,721	-	(1,569,743)		(1,569,743)	
Interest and fiscal charges	2,923,944	-	-	-	(2,923,944)		(2,923,944)	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>109,926,284</b>	<b>14,401,970</b>	<b>20,191,318</b>	<b>-</b>	<b>(66,332,996)</b>		<b>(66,332,996)</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>								
Airport	4,977,744	3,089,139	-	2,229,351		\$ 340,746	340,746	
Parking	3,734,430	1,827,462	-	-		(1,906,968)	(1,906,968)	
Water	4,586,688	6,998,436	-	-		2,411,748	2,411,748	
Sewer	8,449,744	12,096,280	-	-		3,646,536	3,646,536	
Storm	1,682,340	2,306,714	-	28,316		652,690	652,690	
Sanitary Sewer District	85,446	80,602	-	-		(4,844)	(4,844)	
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>23,516,392</b>	<b>26,398,633</b>	<b>-</b>	<b>2,257,667</b>		<b>5,139,908</b>	<b>5,139,908</b>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 124,442,676</b>	<b>\$ 40,800,603</b>	<b>\$ 20,191,318</b>	<b>\$ 2,257,667</b>	<b>(66,332,996)</b>	<b>5,139,908</b>	<b>(61,193,088)</b>	
<b>COMPONENT UNIT</b>								
<b>Redevelopment Authority</b>	<b>\$ 945,698</b>	<b>\$ -</b>	<b>\$ 6,116,678</b>	<b>\$ -</b>				<b>\$ 5,170,980</b>
<b>GENERAL REVENUE</b>								
<b>Taxes</b>								
Property taxes					47,795,813	-	47,795,813	-
Other taxes					5,191,500	-	5,191,500	-
Intergovernmental revenues not restricted to specific programs					12,475,617	-	12,475,617	-
Interest and investment income					6,517,387	1,119,731	7,637,118	55,343
Miscellaneous					1,435,033	11,374	1,446,407	28,000
<b>TRANSFERS</b>					<b>(178,208)</b>	<b>178,208</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<b>73,237,142</b>	<b>1,309,313</b>	<b>74,546,455</b>	<b>83,343</b>
<b>CHANGE IN NET POSITION</b>					6,904,146	6,449,221	13,353,367	5,254,323
<b>NET POSITION - BEGINNING OF YEAR</b>					301,979,929	220,629,766	522,609,695	10,604,275
<b>NET POSITION - END OF YEAR</b>					<b>\$ 308,884,075</b>	<b>\$ 227,078,987</b>	<b>\$ 535,963,062</b>	<b>\$ 15,858,598</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**FUND FINANCIAL STATEMENTS**

**CITY OF LA CROSSE, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

<u>ASSETS</u>	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and investments	\$ 18,330,229	\$ 13,375,030	\$ 916,042	\$ 17,508,570	\$ 59,350,640	\$ 109,480,511
Receivables						
Taxes	39,713,142	-	-	-	14,688,625	54,401,767
Accounts and other	1,003,746	14,219	2,547,605	275,330	908,321	4,749,221
Special assessments	-	-	-	-	533,547	533,547
Loan	-	-	10,483,075	1,675,000	1,035,941	13,194,016
Due from other funds	1,524,969	1,035	-	-	167,147	1,693,151
Due from other governments	13,790	288,170	824,147	-	4,871,063	5,997,170
Inventories	-	-	-	-	250,214	250,214
Prepays	125,606	-	-	-	430,652	556,258
Leases receivable	153,715	-	-	-	1,909,406	2,063,121
Advances to other funds	<u>2,775,585</u>	<u>-</u>	<u>-</u>	<u>1,000,000</u>	<u>147,802</u>	<u>3,923,387</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 63,640,782</u></b>	<b><u>\$ 13,678,454</u></b>	<b><u>\$ 14,770,869</u></b>	<b><u>\$ 20,458,900</u></b>	<b><u>\$ 84,293,358</u></b>	<b><u>\$ 196,842,363</u></b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,121,720	\$ 65,001	\$ 738,013	\$ 6,330	\$ 7,715,128	\$ 9,646,192
Accrued expenses						
Payroll	1,370,390	153	-	-	215,065	1,585,608
Interest	-	-	-	-	11,453	11,453
Other	159,489	-	-	-	-	159,489
Due to other funds	1,035	-	-	-	678,946	679,981
Due to other governments	2,343	-	-	-	1,462,743	1,465,086
Deposit payable	222,770	-	5,590	-	62,681	291,041
Unearned revenue - other	104,553	13,333,951	12,996,230	1,925,369	1,703,814	30,063,917
Advances from other funds	<u>-</u>	<u>-</u>	<u>250,000</u>	<u>-</u>	<u>4,896,479</u>	<u>5,146,479</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,982,300</u></b>	<b><u>13,399,105</u></b>	<b><u>13,989,833</u></b>	<b><u>1,931,699</u></b>	<b><u>16,746,309</u></b>	<b><u>49,049,246</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - tax roll	39,367,942	-	-	-	14,688,338	54,056,280
Unavailable revenue - special assessments	-	-	-	-	517,557	517,557
Leases	<u>145,049</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,887,651</u>	<u>2,032,700</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>39,512,991</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>17,093,546</u></b>	<b><u>56,606,537</u></b>
<b>FUND BALANCES</b>						
Nonspendable	3,246,391	-	-	1,000,000	828,668	5,075,059
Restricted	-	279,349	781,036	17,527,201	37,333,260	55,920,846
Committed	-	-	-	-	12,894,776	12,894,776
Unassigned	<u>17,899,100</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(603,201)</u>	<u>17,295,899</u>
<b>TOTAL FUND BALANCES</b>	<b><u>21,145,491</u></b>	<b><u>279,349</u></b>	<b><u>781,036</u></b>	<b><u>18,527,201</u></b>	<b><u>50,453,503</u></b>	<b><u>91,186,580</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 63,640,782</u></b>	<b><u>\$ 13,678,454</u></b>	<b><u>\$ 14,770,869</u></b>	<b><u>\$ 20,458,900</u></b>	<b><u>\$ 84,293,358</u></b>	<b><u>\$ 196,842,363</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2023**

Fund balances - total governmental funds		\$ 91,186,580
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:		
Governmental capital asset	\$ 477,804,335	
Governmental accumulated depreciation and amortization	<u>(123,175,757)</u>	354,628,578
Some revenue is unearned in the funds because it is not available to pay current period's expenditures:		
Special assessments to be collected after year end		16,660,348
Wisconsin Retirement System asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements.		
		23,489,561
Other post employment benefits deferred outflows of resources and deferred inflows of resources are not current financial resources and are not reported in fund statements.		
		(3,330,964)
The assets, liabilities and net position of the internal service fund are included with governmental activities on the statement of net position.		
Adjustment to reflect the consolidation to business-type activities		8,800,865
Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:		
General obligation debt	\$ (126,645,791)	
Premium	(4,009,610)	
Accrued interest	(1,039,526)	
Vested employee benefits	(2,157,322)	
Wisconsin Retirement System pension and OPEB liability	(18,393,028)	
Net OPEB liability	<u>(30,305,616)</u>	<u>(182,550,893)</u>
<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 308,884,075</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>						
Taxes	\$ 40,383,044	\$ -	\$ -	\$ 1,646,605	\$ 10,957,664	\$ 52,987,313
Special assessment	-	-	-	-	217,490	217,490
Intergovernmental	18,326,501	2,295,780	1,268,584	-	9,968,655	31,859,520
Licenses and permits	1,609,565	-	-	-	1,060,473	2,670,038
Fines, forfeits, and penalties	525	-	-	-	855,163	855,688
Public charges for services	2,173,814	-	761,711	-	5,910,746	8,846,271
Intergovernmental charges for services	1,629,109	-	-	-	622,001	2,251,110
Miscellaneous	2,221,013	205,722	42,607	962,795	2,770,921	6,203,058
Change in fair value of investments	1,565,140	-	-	-	83,382	1,648,522
<b>TOTAL REVENUE</b>	<u>67,908,711</u>	<u>2,501,502</u>	<u>2,072,902</u>	<u>2,609,400</u>	<u>32,446,495</u>	<u>107,539,010</u>
<b>EXPENDITURES</b>						
Current						
General government	9,318,320	1,795,664	-	52,967	448,391	11,615,342
Public safety	27,033,277	407,407	-	-	595,757	28,036,441
Public works	9,800,523	-	-	-	6,831,634	16,632,157
Health and human services	-	-	-	-	153,585	153,585
Culture, recreation, and education	13,376,862	-	-	-	5,811,855	19,188,717
Conservation and development	409,207	-	2,433,015	-	1,204,067	4,046,289
Debt service						
Principal	-	-	-	10,731,541	827,396	11,558,937
Interest	-	-	-	2,700,902	231,921	2,932,823
Other	-	-	-	211,511	-	211,511
Capital outlay	300,139	102,387	-	-	37,760,040	38,162,566
<b>TOTAL EXPENDITURES</b>	<u>60,238,328</u>	<u>2,305,458</u>	<u>2,433,015</u>	<u>13,696,921</u>	<u>53,864,646</u>	<u>132,538,368</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>7,670,383</u>	<u>196,044</u>	<u>(360,113)</u>	<u>(11,087,521)</u>	<u>(21,418,151)</u>	<u>(24,999,358)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	2,479,933	-	-	10,443,121	9,650,017	22,573,071
Transfers (out)	(8,399,803)	-	-	-	(14,351,476)	(22,751,279)
Sale of capital assets	48,756	-	-	270,555	175,112	494,423
Issuance of long-term debt	-	-	-	81,847	17,681,904	17,763,751
Subscription-based IT arrangements	-	-	-	-	649,768	649,768
Premium on long-term debt	-	-	-	733,101	-	733,101
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(5,871,114)</u>	<u>-</u>	<u>-</u>	<u>11,528,624</u>	<u>13,805,325</u>	<u>19,462,835</u>
<b>NET CHANGE IN FUND BALANCE</b>	1,799,269	196,044	(360,113)	441,103	(7,612,826)	(5,536,523)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>19,346,222</u>	<u>83,305</u>	<u>1,141,149</u>	<u>18,086,098</u>	<u>58,066,329</u>	<u>96,723,103</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 21,145,491</u>	<u>\$ 279,349</u>	<u>\$ 781,036</u>	<u>\$ 18,527,201</u>	<u>\$ 50,453,503</u>	<u>\$ 91,186,580</u>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2023**

Net change in fund balances - total governmental funds		\$ (5,536,523)
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay reported in governmental fund statements	\$ 38,162,566	
Less noncapitalized outlay	(5,961,011)	
Depreciation and amortization expense reported in the statement of activities	(8,735,787)	
Less cost of capital assets disposed	<u>(734,197)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		22,731,571
The proceeds from long-term obligations are reported in the governmental funds as a source of financing. In the statement of net position however, long-term obligations are not reported as a financing source, but rather constitute a long-term liability.		
		(18,413,519)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
This year the accrual of these benefits decreased by:		70,224
Certain revenue is unavailable in the governmental funds because it is not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year:		
		(24,795)
Wisconsin Retirement System pension asset, deferred outflows of resources, and deferred inflows of resources changes:		
		(3,866,772)
Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes:		
		(154,868)
Other post-employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes:		
		5,282,952
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		11,558,937
Governmental funds report the effect of debt discounts and premiums when debt is first issued, whereas, these amounts are deferred and amortized in the statement of activities.		
The net effect of these differences in the current year:		(361,711)
Net change due to internal services funds incorporated into the statement of activities:	\$ (4,930,478)	
Transfers from business-type funds for internal service fund activity:	<u>700,128</u>	(4,230,350)
In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.		
The amount of interest and other debt costs paid during the current period	\$ 2,604,843	
The amount of interest and other debt costs accrued during the current period	<u>(2,755,843)</u>	
Interest paid is less than interest accrued by:		<u>(151,000)</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 6,904,146</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2023**

	BUSINESS-TYPE ACTIVITIES						NONMAJOR SANITARY DISTRICT	TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM	-	-	INTERNAL SERVICE	
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>									
<b>ASSETS</b>									
<b>CURRENT ASSETS</b>									
Cash and investments	\$ 7,185,294	\$ 2,353,098	\$ 2,372,436	\$ 8,250,808	\$ 2,336,700	\$ 310,038	\$ 22,808,374	\$ 17,185,450	
Accounts receivable								-	
Customer	207,420	938,449	2,078,515	1,325,206	437,085	66,554	5,053,229	449,427	
Other	-	6,577	44,822	57,951	18,071	-	127,421	-	
Taxes	-	174,058	218,316	249,788	80,521	-	722,683	-	
Accrued interest	3,785	-	-	-	-	-	3,785	-	
Inventories	13,542	-	6	733,146	-	-	746,694	135,260	
Prepays	500,798	5,473	4,022	13,980	924	-	525,197	12,099	
Restricted cash									
Cash	877,478	-	3,182,533	136,655	57,377	-	4,254,043	12,001	
<b>TOTAL CURRENT ASSETS</b>	<u>8,788,317</u>	<u>3,477,655</u>	<u>7,900,650</u>	<u>10,767,534</u>	<u>2,930,678</u>	<u>376,592</u>	<u>34,241,426</u>	<u>17,794,237</u>	
<b>NONCURRENT ASSETS</b>									
Capital assets (net of accumulated depreciation/amortization)									
Capital assets not being depreciated	23,387,492	3,774,886	61,512,527	6,268,171	10,800,201	-	105,743,277	-	
Capital assets being depreciated	47,771,263	39,292,658	36,824,553	29,555,426	10,640,485	293,346	164,377,731	-	
SBITA assets being amortized	-	-	13,780	13,780	13,780	-	41,340	-	
<b>NET CAPITAL ASSETS</b>	<u>71,158,755</u>	<u>43,067,544</u>	<u>98,350,860</u>	<u>35,837,377</u>	<u>21,454,466</u>	<u>293,346</u>	<u>270,162,348</u>	<u>-</u>	
Other assets									
Special assessments receivable	-	-	-	4,528	-	-	4,528	-	
Other property	-	-	-	3,375	-	-	3,375	-	
Leases receivable	2,476,250	-	-	-	-	-	2,476,250	-	
Advances to other funds	-	1,000,000	20,728	202,364	-	-	1,223,092	-	
<b>TOTAL OTHER ASSETS</b>	<u>2,476,250</u>	<u>1,000,000</u>	<u>20,728</u>	<u>210,267</u>	<u>-</u>	<u>-</u>	<u>3,707,245</u>	<u>-</u>	
<b>TOTAL NONCURRENT ASSETS</b>	<u>73,635,005</u>	<u>44,067,544</u>	<u>98,371,588</u>	<u>36,047,644</u>	<u>21,454,466</u>	<u>293,346</u>	<u>273,869,593</u>	<u>-</u>	
<b>TOTAL ASSETS</b>	<u>82,423,322</u>	<u>47,545,199</u>	<u>106,272,238</u>	<u>46,815,178</u>	<u>24,385,144</u>	<u>669,938</u>	<u>308,111,019</u>	<u>17,794,237</u>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Wisconsin Retirement System pension	930,960	647,226	1,233,196	1,212,342	390,341	-	4,414,065	-	
Wisconsin Retirement System LRLIF	34,833	31,599	61,540	117,679	35,822	-	281,473	-	
OPEB healthcare	14,773	31,303	31,987	97,607	-	-	175,670	-	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>980,566</u>	<u>710,128</u>	<u>1,326,723</u>	<u>1,427,628</u>	<u>426,163</u>	<u>-</u>	<u>4,871,208</u>	<u>-</u>	
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 83,403,888</u>	<u>\$ 48,255,327</u>	<u>\$ 107,598,961</u>	<u>\$ 48,242,806</u>	<u>\$ 24,811,307</u>	<u>\$ 669,938</u>	<u>\$ 312,982,227</u>	<u>\$ 17,794,237</u>	

(Continued on page 28)

The accompanying notes are an integral part of these statements.



**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS - Continued**  
**DECEMBER 31, 2023**

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	BUSINESS-TYPE ACTIVITIES						NONMAJOR SANITARY DISTRICT	TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM			INTERNAL SERVICE	
<b>LIABILITIES</b>									
<b>CURRENT LIABILITIES</b>									
Accounts payable	\$ 106,534	\$ 43,786	\$ 2,703,999	\$ 2,723,908	\$ 907,388	\$ -	\$ 6,485,615	\$ 6,931,173	
Payroll	37,543	24,484	54,344	53,410	13,723	-	183,504	-	
Interest	23,731	99,508	136,653	343	343	-	260,578	-	
Other	-	-	-	-	-	134	134	375,998	
Due to other funds	-	-	-	846,023	-	-	846,023	-	
Due to other governments	-	-	-	-	1,127	-	1,127	-	
Unearned revenue - other	-	-	-	-	-	-	-	55,656	
Current portion of long-term obligations	595,183	837,086	2,889,276	454,678	13,306	-	4,789,529	-	
<b>TOTAL CURRENT LIABILITIES</b>	<b>762,991</b>	<b>1,004,864</b>	<b>5,784,272</b>	<b>4,078,362</b>	<b>935,887</b>	<b>134</b>	<b>12,566,510</b>	<b>7,362,827</b>	
<b>NONCURRENT LIABILITIES</b>									
Long-term obligations	2,634,313	12,641,219	50,544,773	2,754,235	189,804	-	68,764,344	-	
<b>TOTAL LIABILITIES</b>	<b>3,397,304</b>	<b>13,646,083</b>	<b>56,329,045</b>	<b>6,832,597</b>	<b>1,125,691</b>	<b>134</b>	<b>81,330,854</b>	<b>7,362,827</b>	
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - tax roll	-	174,058	-	-	-	-	174,058	-	
Leases	2,472,211	-	-	-	-	-	2,472,211	-	
Wisconsin Retirement System pension	519,129	360,911	687,664	676,035	217,665	-	2,461,404	-	
Wisconsin Retirement System LRLIF	69,331	62,893	122,487	234,226	71,300	-	560,237	-	
OPEB healthcare	44,993	95,337	97,420	297,271	-	-	535,021	-	
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>3,105,664</b>	<b>693,199</b>	<b>907,571</b>	<b>1,207,532</b>	<b>288,965</b>	<b>-</b>	<b>6,202,931</b>	<b>-</b>	
<b>NET POSITION</b>									
Net investment in capital assets	68,560,152	30,435,683	46,134,221	35,191,753	21,454,319	293,346	202,069,474	-	
Restricted for other	877,478	-	3,182,533	136,655	57,377	-	4,254,043	12,001	
Unrestricted	7,463,290	3,480,362	1,045,591	4,874,269	1,884,955	376,458	19,124,925	10,419,409	
<b>TOTAL NET POSITION</b>	<b>76,900,920</b>	<b>33,916,045</b>	<b>50,362,345</b>	<b>40,202,677</b>	<b>23,396,651</b>	<b>669,804</b>	<b>225,448,442</b>	<b>10,431,410</b>	
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 83,403,888</b>	<b>\$ 48,255,327</b>	<b>\$ 107,598,961</b>	<b>\$ 48,242,806</b>	<b>\$ 24,811,307</b>	<b>\$ 669,938</b>	<b>\$ 312,982,227</b>	<b>\$ 17,794,237</b>	
							\$ 225,448,442		
							1,630,545		
							<b>\$ 227,078,987</b>		

Net position - total enterprise funds  
Adjustment to reflect the consolidation of internal service activities related to enterprise funds

**NET POSITION OF BUSINESS-TYPE ACTIVITIES**

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	INTERNAL SERVICE	
<b>OPERATING REVENUE</b>								
Charges for services	\$ 3,007,629	\$ 1,806,700	\$ 11,960,658	\$ 6,727,529	\$ 2,295,646	\$ 80,602	\$ 25,878,764	\$ -
Interdepartmental sales	-	-	-	-	-	-	-	12,434,168
Forfeited discounts	-	-	-	61,128	-	-	61,128	-
Other revenue	81,510	20,762	134,990	209,300	10,951	-	457,513	672,196
<b>TOTAL OPERATING REVENUE</b>	<u>3,089,139</u>	<u>1,827,462</u>	<u>12,095,648</u>	<u>6,997,957</u>	<u>2,306,597</u>	<u>80,602</u>	<u>26,397,405</u>	<u>13,106,364</u>
<b>OPERATING EXPENSES</b>								
Plant and maintenance expenses:								
Salaries and wages	1,510,160	1,016,815	1,790,344	1,429,818	679,371	-	6,426,508	1,180,952
Power	-	-	-	422,178	-	-	422,178	-
Chemicals	-	-	-	85,368	-	-	85,368	-
Supplies and expenses	321,412	116,907	2,927,409	545,023	284,672	49,295	4,244,718	205,167
Repairs and maintenance	320,948	228,344	434,588	87,585	81,178	10,099	1,162,742	-
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<u>2,152,520</u>	<u>1,362,066</u>	<u>5,152,341</u>	<u>2,569,972</u>	<u>1,045,221</u>	<u>59,394</u>	<u>12,341,514</u>	<u>1,386,119</u>
General expenses:								
Office supplies and other expenses	33,090	9,517	18,702	32,636	5,150	199	99,294	15,332
Outside services employed	432,354	372,721	804,130	250,925	241,414	23,876	2,125,420	47,797
Insurance expense	114,123	85,457	131,838	31,841	11,235	-	374,494	2,430,046
Employee benefits	-	-	-	73,794	-	-	73,794	14,748,079
Miscellaneous general expenses	11,530	17,776	54,212	68,170	100,821	-	252,509	-
Transportation	86,274	21,536	12,088	-	4,028	-	123,926	-
<b>TOTAL GENERAL EXPENSES</b>	<u>677,371</u>	<u>507,007</u>	<u>1,020,970</u>	<u>457,366</u>	<u>362,648</u>	<u>24,075</u>	<u>3,049,437</u>	<u>17,241,254</u>
Depreciation	1,955,003	1,324,960	1,216,945	1,249,607	169,081	1,977	5,917,573	-
Amortization	-	-	13,159	13,159	13,159	-	39,477	-
Taxes	60,736	45,831	115,398	88,491	37,618	-	348,074	-
<b>TOTAL OPERATING EXPENSES</b>	<u>4,845,630</u>	<u>3,239,864</u>	<u>7,518,813</u>	<u>4,378,595</u>	<u>1,627,727</u>	<u>85,446</u>	<u>21,696,075</u>	<u>18,627,373</u>
<b>OPERATING INCOME (LOSS)</b>	<u>(1,756,491)</u>	<u>(1,412,402)</u>	<u>4,576,835</u>	<u>2,619,362</u>	<u>678,870</u>	<u>(4,844)</u>	<u>4,701,330</u>	<u>(5,521,009)</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>								
Interest income	308,514	134,152	240,205	324,657	100,417	11,786	1,119,731	589,294
Miscellaneous revenue	-	-	632	479	117	-	1,228	1,237
Sale of capital assets	87,779	4,619	15,604	-	-	-	108,002	-
Interest expense	(91,701)	(422,446)	(713,289)	(25,665)	(378)	-	(1,253,479)	-
Amortization	-	36,662	-	-	-	-	36,662	-
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<u>304,592</u>	<u>(247,013)</u>	<u>(456,848)</u>	<u>299,471</u>	<u>100,156</u>	<u>11,786</u>	<u>12,144</u>	<u>590,531</u>
<b>INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>(1,451,899)</u>	<u>(1,659,415)</u>	<u>4,119,987</u>	<u>2,918,833</u>	<u>779,026</u>	<u>6,942</u>	<u>4,713,474</u>	<u>(4,930,478)</u>
<b>TRANSFERS IN (OUT)</b>	<u>-</u>	<u>1,024,231</u>	<u>(22,903)</u>	<u>(823,120)</u>	<u>-</u>	<u>-</u>	<u>178,208</u>	<u>-</u>
<b>CAPITAL CONTRIBUTIONS</b>	<u>2,229,351</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,316</u>	<u>-</u>	<u>2,257,667</u>	<u>-</u>
<b>CHANGE IN NET POSITION</b>	<u>777,452</u>	<u>(635,184)</u>	<u>4,097,084</u>	<u>2,095,713</u>	<u>807,342</u>	<u>6,942</u>	<u>7,149,349</u>	<u>(4,930,478)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>76,123,468</u>	<u>34,551,229</u>	<u>46,265,261</u>	<u>38,106,964</u>	<u>22,589,309</u>	<u>662,862</u>	<u>218,299,093</u>	<u>15,361,888</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 76,900,920</u>	<u>\$ 33,916,045</u>	<u>\$ 50,362,345</u>	<u>\$ 40,202,677</u>	<u>\$ 23,396,651</u>	<u>\$ 669,804</u>	<u>\$225,448,442</u>	<u>\$ 10,431,410</u>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 3,083,151	\$ 1,729,482	\$ 11,469,970	\$ 5,881,661	\$ 2,743,646	\$ 81,211	\$ 24,989,121	\$ 670,095
Receipts from municipality	-	-	554,756	1,197,916	1,127	-	1,753,799	12,194,310
Payments to suppliers for goods and services	(1,510,693)	(979,036)	(4,384,827)	(1,911,210)	(735,354)	(83,468)	(9,604,588)	(2,261,269)
Payments for employees wages and benefits	(1,421,718)	(1,055,048)	(1,975,283)	(1,588,654)	(651,805)	-	(6,692,508)	(15,929,031)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>150,740</u>	<u>(304,602)</u>	<u>5,664,616</u>	<u>3,579,713</u>	<u>1,357,614</u>	<u>(2,257)</u>	<u>10,445,824</u>	<u>(5,325,895)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfer from (to) governmental funds	-	1,024,231	(22,903)	(823,120)	-	-	178,208	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition of property, plant and equipment	(67,724)	(225,557)	(18,337,624)	(3,481,470)	(1,746,026)	-	(23,858,401)	-
Retirement of long-term debt	(488,260)	(718,965)	(83,070)	(186,274)	(13,632)	-	(1,490,201)	-
Issuance of long-term debt	92,008	83,950	26,856,325	-	-	-	27,032,283	-
Interest paid	(94,226)	(428,996)	(643,307)	(25,322)	(35)	-	(1,191,886)	-
Contributed capital	2,229,351	-	-	-	28,316	-	2,257,667	-
Advances from other funds, net	-	-	(10,100,000)	-	-	-	(10,100,000)	-
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>1,671,149</u>	<u>(1,289,568)</u>	<u>(2,307,676)</u>	<u>(3,693,066)</u>	<u>(1,731,377)</u>	<u>-</u>	<u>(7,350,539)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	304,729	170,814	240,205	324,657	100,417	11,786	1,152,608	589,294
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	2,126,618	(399,125)	3,574,242	(611,816)	(273,346)	9,529	4,426,101	(4,736,601)
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	5,936,154	2,752,223	1,980,727	8,999,279	2,667,423	300,509	22,636,315	21,934,052
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 8,062,772</b>	<b>\$ 2,353,098</b>	<b>\$ 5,554,969</b>	<b>\$ 8,387,463</b>	<b>\$ 2,394,077</b>	<b>\$ 310,038</b>	<b>\$ 27,062,416</b>	<b>\$ 17,197,451</b>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities</b>								
Operating (loss) income	\$ (1,756,491)	\$ (1,412,402)	\$ 4,576,835	\$ 2,619,362	\$ 678,870	\$ (4,844)	\$ 4,701,330	\$ (5,521,009)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities								
Depreciation	1,955,003	1,324,960	1,230,104	1,262,766	182,240	1,977	5,957,050	-
Changes in assets and liabilities								
Decrease (increase) in assets								
Receivables - customers	(5,988)	(95,647)	(37,863)	57,654	444,779	609	363,544	(76,699)
Receivables - other	-	(2,333)	(33,059)	(8,021)	(7,730)	-	(51,143)	-
Due from other governments	-	-	-	247	-	-	247	-
Inventories	(5,253)	-	-	(210,217)	-	-	(215,470)	(41,402)
Prepaid expenses	(7,946)	(5,051)	(3,251)	(13,096)	(594)	-	(29,938)	141
Leases receivable	(626,710)	-	-	-	-	-	(626,710)	-
Wisconsin Retirement System pension	60,011	46,898	119,686	51,304	35,092	-	312,991	-
Wisconsin Retirement System LRLIF	86,503	22,478	(123,659)	173,345	(8,877)	-	149,790	-
OPEB healthcare	(51,524)	(106,292)	(208,573)	(317,610)	-	-	(683,999)	-
Decrease (increase) in liabilities								
Accounts payable	(112,988)	(75,896)	116,789	(75,680)	31,356	-	(116,419)	264,178
Payroll payable	(3,952)	(4,893)	10,946	1,959	1,351	-	5,411	-
Other accrued expenses	(2,596)	3,576	16,661	5,960	-	1	23,602	48,896
Due to other funds	-	-	-	31,740	-	-	31,740	-
Deferred inflows of resources - leases	622,671	-	-	-	-	-	622,671	-
Due to other governments	-	-	-	-	1,127	-	1,127	-
Total adjustments	1,907,231	1,107,800	1,087,781	960,351	678,744	2,587	5,744,494	195,114
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 150,740</b>	<b>\$ (304,602)</b>	<b>\$ 5,664,616</b>	<b>\$ 3,579,713</b>	<b>\$ 1,357,614</b>	<b>\$ (2,257)</b>	<b>\$ 10,445,824</b>	<b>\$ (5,325,895)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>								
Cash and investments	\$ 7,185,294	\$ 2,353,098	\$ 2,372,436	\$ 8,250,808	\$ 2,336,700	\$ 310,038	\$ 22,808,374	\$ 17,185,450
Restricted cash	877,478	-	3,182,533	136,655	57,377	-	4,254,043	12,001
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 8,062,772</b>	<b>\$ 2,353,098</b>	<b>\$ 5,554,969</b>	<b>\$ 8,387,463</b>	<b>\$ 2,394,077</b>	<b>\$ 310,038</b>	<b>\$ 27,062,417</b>	<b>\$ 17,197,451</b>

**NONCASH INVESTING, CAPITAL AND FINANCING ACTIVITIES**

During 2023, the Sewer Utility issued \$26,939 of subscription-based IT arrangements.  
During 2023, the Water Utility issued \$26,939 of subscription-based IT arrangements.  
During 2023, the Storm Utility issued \$26,939 of subscription-based IT arrangements.

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2023**

<u>ASSETS</u>	<u>CUSTODIAL FUNDS</u>
Cash and investments	\$ 29,793,919
Taxes receivable	24,704,135
Accounts receivable	<u>18,902</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 54,516,956</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 32,600
Due to other governments	29,673,197
Due to others	<u>124,327</u>
TOTAL LIABILITIES	<u>29,830,124</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>24,704,135</u>
NET POSITION	
Restricted for other governments	<u>(17,303)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 54,516,956</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**YEAR ENDED DECEMBER 31, 2023**

	CUSTODIAL FUNDS
<b>ADDITIONS</b>	
Collections for other governments	<u>\$ 52,971,903</u>
<b>DEDUCTIONS</b>	
Payments to other governments	52,971,903
Payments to others	<u>4,993</u>
TOTAL DEDUCTIONS	<u>52,976,896</u>
CHANGE IN NET POSITION	(4,993)
NET POSITION - BEGINNING OF YEAR	<u>(12,310)</u>
<b>NET POSITION - END OF YEAR</b>	<u><b>\$ (17,303)</b></u>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**NOTE 1 - Summary of Significant Accounting Policies**

The financial statements of the City of La Crosse (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units.

The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

**Reporting Entity**

The City was incorporated under the provisions of Chapter 280, Laws of Wisconsin, 1883. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The City's basic financial statements include one component unit, as defined in GASB 14 and amended by GASB 39 and GASB 61.

The basis criterion for including a legally separate organization as a component unit is the degree of financial accountability the City has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. The following circumstances set forth the City's financial accountability for a legally separate organization:

- a) The City is financially accountable if it appoints a voting majority of the Organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.
- b) The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed governing board.

In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

**Discretely Presented Component Unit:** The Redevelopment Authority of the City of La Crosse carries out blight eliminations, slum clearance, and urban renewal projects. The Authority consists of seven members who service five-year terms, with one member being a common council member. The members must be residents of the City of La Crosse. Members are appointed by the Mayor, subject to approval by four-fifths of the Council. Current audited financial information is included in the City's financial statements. A separate audited financial statement was not issued.

This report includes all of the funds of the City, Wisconsin. The reporting entity for the City is based upon criteria established by Governmental Accounting Standards Board. All functions of the City for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and special financing relationships. The report contains the La Crosse Public Library, La Crosse Center, La Crosse Municipal Airport, La Crosse Water Utility, Tax Incremental Districts No. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 and other funds and departments which are part of the City.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The financial statements exclude the accounts of the City of La Crosse Housing Authority (the "Housing Authority"). The Housing Authority is a separate legal entity that administers federal and state funds to improve housing conditions in the City. Although the Governing Board is appointed by the Mayor and approved by the City Council, the City does not have the ability to impose its will on the Housing Authority nor does a financial benefit or burden exist with the Housing Authority. The grantor agencies and Housing Authority Board control the management, budget, and policies of the Housing Authority.

The financial statements also exclude the accounts of the La Crosse Public Schools and Winding Rivers Library System because these entities operate with separate governing boards that are not under the control or oversight of the City.

**Basis of Presentation**

**Government-Wide Financial Statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's proprietary funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. 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 revenue includes 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 revenue are reported as general revenue.

**Fund Financial Statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category - governmental, proprietary, and fiduciary - are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.



**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The City reports the following major governmental funds:

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

**Federal Grant Fund** - The Federal Grant Fund is used to account for revenue and expenditures of various federal grants.

**HUD Grants Fund** - The HUD Grants fund is used to account for revenue and expenditures of Community Development Block Grant Funds and HOME Partnership program funds.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The City reports the following major proprietary funds:

**Municipal Airport** - This fund accounts for the operation, maintenance, and construction projects related to the airport.

**Parking Utility** - This fund is used to account for the operation, maintenance, and construction of the City's parking facilities as well as on-street parking.

**Water Utility** - All activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance, and financing.

**Sewer Utility** - This fund is used to account for sewage fees, collected from customers connected to the City's sewer system and for all expenses of operating this system.

**Storm Utility** - This fund is used to account for storm water fees, collected from consumers based on equivalent run-off units, and for all expenses of operating the system.

Additionally, the City reports the following fund types:

**Internal Service Funds** - Internal Service Funds are used to account for funds that provide goods and services to other funds and departments within the City. The City has established seven internal service funds that are used to provide liability self-insurance, workers' compensation self-insurance, stockroom services, health self-insurance, Section 125 flex spending, fuel management, and payroll liabilities.

**Fiduciary Custodial Fund Types** - Custodial Funds are used to account for assets held by the City in a trustee capacity, or as an agent for individual, private organizations, other governments, and/or other funds.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes are recorded in the year levied as receivables and unavailable revenue. They are recognized as revenue in the succeeding year when services financed by the levy are being provided. Special assessments are recorded as revenue when they become measurable and available as current assets. Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Grants are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

The proprietary funds and internal service funds are reported using the economic resources measurement focus and accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

The proprietary funds distinguish *operating* revenue and expenses from *nonoperating* items. Operating revenue 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 revenue of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

**Cash and Investments** - Cash and investments, as classified in the statement of cash flows, consists of highly liquid investments with an initial maturity of three months or less.

**Accounts Receivable** - Accounts receivable are recorded at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material. No provision for uncollectible accounts receivable has been made in the accompanying proprietary fund financial statements because the water and sewer utility has the right to place delinquent bills on the tax roll.

**Due To/From Advance To/From Other Funds** - 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. In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

**Interfund Transactions** - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenue and expenditures or expenses.

**Inventory** - Inventory is priced at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when consumed rather than when purchased. A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

**Prepays** - Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

**Restricted Cash and Investments** - Restricted cash and investments are restricted assets set aside for longer term goals. The City's restricted cash includes the following:

Airport - Passenger facility charges collections.

Sewer - Resources set aside for repairs and maintenance of the sewer plant as required by the Wisconsin Department of Natural Resources.

Water - Proceeds from bonds.

Storm - Proceeds from bonds.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at estimated acquisition value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks and drainage and lighting systems, acquired prior to January 1, 2003, are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Water, sewer, and storm water utility assets are being depreciated using rates prescribed by the Wisconsin Public Service Commission.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed.

Capitalization thresholds and the estimated useful lives for the City are as follows:

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	\$ 10,000	75
Land	-	N/A
Land improvements	10,000	10-100
Buildings/structures/building improvements	10,000	40-100
Machinery and equipment	10,000	10-100
Vehicles	10,000	10-30

**Leases** - The City is a lessor because it leases capital assets to other entities. The lease receivable is measured using the present value of payments to be received during the lease term. The corresponding deferred inflows of resources are recognized as inflows over the lease term.

**Subscription-Based Information Technology Arrangements (SBITA)** - The SBITA liability is measured using the present value of payments to be made during the subscription term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the subscription term or the useful life.

**Debt Premiums and Discounts** - In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

**Compensated Absences** - It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and comp pay benefits. Vacation, sick, and comp pay is accrued when incurred in the government-wide and proprietary funds financial statements. Vacation, sick, and compensation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it.

**Pensions** - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Pensions** - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post-Employment Benefits (OPEB) LRLIF** - The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Other Post-Employment Benefits (OPEB) Healthcare** - The fiduciary net position of the OPEB healthcare has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB healthcare, OPEB healthcare expense, and information about the fiduciary net position of the OPEB healthcare and additions to/deductions from OPEB healthcare's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Deferred Outflows and Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, Wisconsin Retirement System Local Retire Life Insurance Fund (LRLIF), and OPEB healthcare and result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has five items that qualify for reporting in this category: Unavailable revenue, leases, Wisconsin Retirement System pension, LRLIF OPEB, and Healthcare OPEB. The unavailable revenue is from two sources: property taxes and special assessments. The unavailable revenue and leases are deferred and recognized as an inflow in the period the amount becomes available. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average expected remaining service lives of participants.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 1 - Summary of Significant Accounting Policies - Continued**

**Claims and Judgments** - They are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**Net Position Classifications** - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**Fund Balance Classifications** - The City classifies its fund equity as follows:

1. Nonspendable fund balance consists of equity not in a spendable form or is legally or contractually required to be maintained intact.
2. Restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation.
3. Committed fund balance consists of equity constrained to specific purposes by the City itself, using its highest level of decision making authority - City Council policies.
4. Assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The City Council has authorized the Finance Director to assign fund balances through its financial management policy.
5. Unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the City's policy to record the net loss against committed fund balance, then assigned fund balance, and lastly to unassigned fund balance. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

**State and Federal Aids** - State general and categorical aids are recognized as revenue in the entitlement year. Federal aids and certain state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

**Use of Estimates** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Subsequent Events** - The City evaluated subsequent events through July 29, 2024, the date which the financial statements were available to be issued.

**Change in Accounting Principle** - The City has implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements (SBITA), in 2023. The change resulted in no adjustments to net position or fund balances.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 2 - Cash and Investments**

State statutes permit the City and the Component Unit to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of December 31, 2023, the City had the following investments:

<u>INVESTMENT</u>	<u>WEIGHTED AVERAGE MATURITIES</u>	<u>FAIR VALUE</u>
State of Wisconsin Investment Pool	Less than one year	\$ 43,066,290
Government Securities	More than one year	36,953,479
Repurchase Agreements	Less than one year	24,042,491
Corporate Bonds	More than one year	15,958,590
Bond Mutual Funds	Less than one year	1,292,811
Equity Mutual Funds	Less than one year	521,390
<b>TOTAL</b>		<b><u>\$ 121,835,501</u></b>

**Determining Fair Value** - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurement:

- 1) State of Wisconsin Local Government Investment Pool fair value is determined by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Government Securities, Corporate Bonds, and Bond and Equity Mutual Funds are determined based on published market quotations (level 1 inputs).
- 3) Deposits and investments with stated interest rates (saving accounts, CD, REPO) are stated at cost.

**Investment Pool Information** - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2023, the Pool's fair value was 100 percent of book value.

**Income Allocation** - Investment income is generally allocated to the fund that owns the investment.

**Interest Rate Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than seven years of the date acquired. The City has a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Credit Risk** - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices. All investments subject to credit risk had an S&P Rating of A- or higher and a Moody's Rating of A2 or higher as of December 31, 2023. The State of Wisconsin Investment Pool is not rated, however, the investments at all times consist solely of securities and instruments in which municipalities are permitted to invest.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 2 - Cash and Investments -Continued**

**Custodial Credit Risk - Deposits** - Custodial credit is the risk that, in the event of a bank failure, the City's and the Component Unit's deposits may not be returned to it. As of December 31, 2023, \$44,445,550 of the City's and the Component Unit's bank balance of \$58,849,265 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's and the Component Unit's name	\$ 44,445,550
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**Custodial Credit Risk - Investments** - Custodial credit is the risk that, in the event the failure of the counterparty, the City's investments may not be returned to it. As of December 31, 2023, \$24,042,491 of the City's investments subject to custodial credit risk of \$24,042,491 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name	<b><u>\$ 24,042,491</u></b>
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**NOTE 3 - Property Taxes**

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied on December 1 and are payable in four installments in January, March, May, and July, or are payable in full on January 31. The Component Unit has outstanding economic development loans. Special assessments, charges, and personal property taxes are payable in full on January 31. The City bills and collects its own property taxes and also taxes for the State, County, Area Technical College, and Area Public Schools until August 12, at which time all uncollected real estate taxes are turned over to the county for collection. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Property Tax Agency Fund. City property tax revenue is recognized in the year it is levied for and available for use. The 2023 tax roll (levied for 2024) has been set up as a receivable and offset by the amounts due to other governmental units and deferred tax roll revenue for the City's portion. Advance tax collections are offset against the receivable.

**NOTE 4 - Rehabilitation Loans**

The City has outstanding Urban Development Action Grant (UDAG) and Community Development Block Grant (CDBG) loans receivable with various businesses and homeowners. These loans are originally made from grant proceeds. The Component Unit has outstanding economic development loans. The loan agreements provide for various repayment options, including installment payments and payment in full upon transfer of the property secured by the loans. When the loans are repaid, the funds become the property of the City and are restricted for future rehabilitation loan projects.

The loans activity for the year was as follows:

	<u>BALANCES</u> 1/1/23	<u>ADDITIONS</u>	<u>PAYMENTS,</u> <u>FOREGIVENESS &amp;</u> <u>FORECLOSURES</u>	<u>BALANCES</u> 12/31/23
<b>PRIMARY GOVERNMENT</b>				
Housing Rehabilitation	\$ 30,000	\$ -	\$ (16,500)	\$ 13,500
HOME Program	734,921	1,029,976	(12,600)	1,752,297
NSP Program	33,300	-	-	33,300
Replacement Housing	3,954,858	323,134	(1,098,296)	3,179,696
TID #11	73,805	2,948	(9,361)	67,392
TID #14	247,794	-	(12,144)	235,650
TID #15	295,292	-	-	295,292
Economic Development	3,588,253	-	(100,706)	3,487,547
TID #13	39,050	-	(1,443)	37,607
Residential Rehabilitation	3,884,015	419,047	(211,327)	4,091,735
<b>TOTAL</b>	<b><u>\$ 12,881,288</u></b>	<b><u>\$ 1,775,105</u></b>	<b><u>\$ (1,462,377)</u></b>	<b><u>\$ 13,194,016</u></b>



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 4 - Rehabilitation Loans - Continued**

Interest receivable of \$2,832,136 associated with these loans is included in the Accounts and Other Receivable line of the balance sheet.

COMPONENT UNIT

Economic Development	<u>\$ 350,000</u>	<u>\$ -</u>	<u>\$ (12,000)</u>	<u>\$ 338,000</u>
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**NOTE 5 - Leases Receivable**

The City is the lessor in various noncancellable leases of land and buildings. The initial lease receivable is recorded using the rate stated in the lease or the City's incremental borrowing rate at the time of lease inception. The term of the lease includes all optional periods in which the City believes the lessee is reasonably certain to exercise the option. Leases with periodic percentage rent increases or flat rate rent increases that are specified in the lease terms are included in the measurement of the lease receivable. As of December 31, 2023, the City's leases receivable balance of \$4,539,372 was comprised of the following:

**GOVERNMENTAL ACTIVITIES**

Two building or structure leases for which the City recognized \$94,962 of lease revenue and \$9,327 of interest revenue during the year, at interest rates ranging from 0.47 percent to 1.17 percent, with remaining lease terms ranging from 3 to 9 years.	\$ 933,166
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Six land leases for which the City recognized \$138,405 of lease revenue and \$15,649 of interest revenue during the year, at interest rates ranging from 0.83 percent to 1.50 percent, with remaining lease terms ranging from 5 to 18 years.	<u>1,129,956</u>
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<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 2,063,122</u></b>
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**BUSINESS-TYPE ACTIVITIES**

Five building leases for which the City recognized \$313,600 of lease revenue and \$10,617 of interest revenue during the year, at interest rates ranging from 0.21 percent to 0.77 percent, with remaining lease terms ranging from 1 to 5 years.	\$ 1,062,647
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Two land leases for which the City recognized \$10,452 of lease revenue and \$24,749 of interest revenue during the year, at interest rates ranging from 0.33 percent to 1.75 percent, with remaining lease terms ranging from 2 to 35 years.	<u>1,413,603</u>
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<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 2,476,250</u></b>
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The leases receivable are expected to be received in subsequent years as follows:

<u>YEARS</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2024	\$ 219,278	\$ 34,886	\$ 292,904	\$ 47,718
2025	218,299	32,590	227,799	41,979
2026	144,738	30,501	235,776	36,326
2027	160,716	28,523	232,485	30,475
2028	167,699	25,768	124,509	25,058
2029-2034	849,962	83,373	82,746	116,041
2034-2038	287,655	14,345	129,226	106,871
2039-2043	14,775	225	187,259	93,149
2044-2048	-	-	259,273	73,764
2049-2053	-	-	348,173	47,370
2054-2058	-	-	356,100	13,153
	<u>\$ 2,063,122</u>	<u>\$ 250,211</u>	<u>\$ 2,476,250</u>	<u>\$ 631,904</u>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 6 - Capital Assets**

Capital asset activity for the year ended December 31, 2023, was as follows:

**GOVERNMENTAL ACTIVITIES**

	<u>BALANCES</u> 1/1/23	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> 12/31/23
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,028,660	\$ -	\$ -	\$ 315,459	\$ 13,344,119
Construction in progress	<u>101,051,233</u>	<u>29,937,749</u>	<u>-</u>	<u>(72,268,807)</u>	<u>58,720,175</u>
Total capital assets not being depreciated	<u>114,079,893</u>	<u>29,937,749</u>	<u>-</u>	<u>(71,953,348)</u>	<u>72,064,294</u>
<i>Capital assets being depreciated</i>					
Buildings	90,776,647	19,075	501,860	45,015,024	135,308,886
Infrastructure	154,905,544	-	-	15,833,962	170,739,506
Improvements other than buildings	17,861,903	-	6,390	(882,719)	16,972,794
Machinery and equipment	<u>70,760,673</u>	<u>1,594,963</u>	<u>2,273,630</u>	<u>11,987,081</u>	<u>82,069,087</u>
Total capital assets being depreciated	<u>334,304,767</u>	<u>1,614,038</u>	<u>2,781,880</u>	<u>71,953,348</u>	<u>405,090,273</u>
Less accumulated depreciation for:					
Buildings	22,215,300	985,099	2,083	-	23,198,316
Infrastructure	61,973,326	4,390,516	1,101,099	-	65,262,743
Improvements other than buildings	6,823,005	46,401	-	-	6,869,406
Machinery and equipment	<u>25,476,022</u>	<u>3,097,182</u>	<u>944,501</u>	<u>-</u>	<u>27,628,703</u>
Total accumulated depreciation	<u>116,487,653</u>	<u>8,519,198</u>	<u>2,047,683</u>	<u>-</u>	<u>122,959,168</u>
Total capital assets being depreciated, net	<u>217,817,114</u>	<u>(6,905,160)</u>	<u>734,197</u>	<u>71,953,348</u>	<u>282,131,105</u>
Capital assets being amortized					
SBITA asset	-	649,768	-	-	649,768
Less accumulated amortization	<u>-</u>	<u>(216,589)</u>	<u>-</u>	<u>-</u>	<u>(216,589)</u>
Total capital assets being amortized, net of accumulated amortization	<u>-</u>	<u>433,179</u>	<u>-</u>	<u>-</u>	<u>433,179</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
<b>CAPITAL ASSETS, NET</b>	<b><u>\$ 331,897,007</u></b>	<b><u>\$ 23,465,798</u></b>	<b><u>\$ 734,197</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 354,628,578</u></b>

Depreciation and amortization expense for governmental activities was charged to functions as follows:

General Government	\$ 1,395,158
Law Enforcement	396,141
Fire Protection	629,709
Transportation/Highway	2,503,332
Transit	803,710
Storm Sewer	272,167
Docks and Harbors	43,419
Sanitation	22,945
Health and Human Services	12,381
Library	190,784
La Crosse Center	1,208,104
Parks and Recreation	1,020,363
Conservation and Development	<u>237,574</u>
<b>Total</b>	<b><u>\$ 8,735,787</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 6 - Capital Assets - Continued**

**BUSINESS-TYPE ACTIVITIES**

	BALANCES 1/1/23	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES 12/31/23
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,836,692	\$ -	\$ -	\$ -	\$ 3,836,692
Construction in progress	87,724,562	24,695,603	-	(10,513,580)	101,906,585
Total capital assets not being depreciated	91,561,254	24,695,603	-	(10,513,580)	105,743,277
<i>Capital assets being depreciated</i>					
Land improvements	3,986,194	-	-	-	3,986,194
Buildings	45,028,984	-	234,284	3,454,442	48,249,142
Equipment	18,233,480	1,399,825	737,406	94,536	18,990,435
Infrastructure	177,021,194	1,759,203	207,698	6,964,602	185,537,301
Total capital assets being depreciated	244,269,852	3,159,028	1,179,388	10,513,580	256,763,072
<i>Less accumulated depreciation for:</i>					
Land improvements	3,262,796	105,723	-	-	3,368,519
Buildings	16,059,361	1,083,885	231,867	-	16,911,379
Equipment	11,904,547	778,528	465,046	-	12,218,029
Infrastructure	55,923,229	4,147,136	182,951	-	59,887,414
Total accumulated depreciation	87,149,933	6,115,272	879,864	-	92,385,341
Total capital assets being depreciated, net accumulated depreciation	157,119,919	(2,956,244)	299,524	10,513,580	164,377,731
<i>Capital assets being amortized:</i>					
SBITA asset	-	80,817	-	-	81,817
Less accumulated amortization	-	(39,477)	-	-	(39,477)
Total capital assets being amortized, net of accumulated amortization	-	41,340	-	-	41,340
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
<b>CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<b>\$ 248,681,173</b>	<b>\$ 21,780,699</b>	<b>\$ 299,524</b>	<b>\$ -</b>	<b>\$ 270,162,348</b>

Depreciation and amortization expense was charged to functions as follows:

<i>Business-type activities</i>			
Airport		\$	1,955,003
Parking Utility			1,324,960
Water Utility			1,633,240
Sewer Utility			1,057,329
Storm Utility			182,240
Sanitary Sewer Utility			1,977
			6,154,749
Less: Water Utility joint metering and clearing			(197,699)
<b>TOTAL</b>			<b>\$ 5,957,050</b>

**COMPONENT UNIT**

	BALANCES 1/1/23	ADDITIONS	RETIREMENTS	BALANCES 12/31/23
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,000,000	\$ -	\$ 910,000	\$ 9,090,000
Construction in progress	2,425,526	9,497,001	-	11,922,527
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b>\$ 12,425,526</b>	<b>\$ 9,497,001</b>	<b>\$ 910,000</b>	<b>\$ 21,012,527</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 7 - Long-Term Obligations**

Details of the City's long-term obligations are set forth below:

**Summary of Long-Term Obligations**

	BALANCES 1/1/23	ADDITIONS	PAYMENTS	AMOUNTS BALANCES 12/31/23	DUE WITHIN ONE YEAR
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
Bonds payable	\$ 87,204,960	\$17,465,000	\$ (6,139,145)	\$ 98,530,815	\$ 7,574,106
Notes payable - direct borrowing	2,988,082	-	(803,735)	2,184,347	662,292
Notes payable - direct placement	23,101,571	-	(3,607,422)	19,494,149	3,671,942
Loan - direct placement	6,496,596	298,751	(790,065)	6,005,282	1,195,563
SBITAs	-	649,768	(218,570)	431,198	210,883
Premium	3,647,899	733,101	(371,390)	4,009,610	427,770
Net OPEB obligation	30,289,389	16,227	-	30,305,616	2,621,544
Wisconsin retirement system:					
Net pension liability	-	14,992,561	-	14,992,561	-
Net OPEB liability - LRLIF	5,854,140	-	(2,453,673)	3,400,467	-
Employee benefits:					
Vacation pay	1,311,413	-	(35,956)	1,275,457	1,275,457
Sick pay	756,053	-	(48,623)	707,430	707,430
Comp pay	160,080	14,355	-	174,435	174,435
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$161,810,183</u></b>	<b><u>\$34,169,763</u></b>	<b><u>\$ (14,468,579)</u></b>	<b><u>\$181,511,367</u></b>	<b><u>\$18,521,422</u></b>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
Bonds payable - Airport	\$ 2,810,000	\$ -	\$ (410,000)	\$ 2,400,000	\$ 425,000
Bonds payable - Parking	12,615,000	-	(655,000)	11,960,000	680,000
Bonds payable - Water Utility	420,040	-	(85,855)	334,185	85,894
Notes payable - Water Utility - direct placement	113,429	-	(27,578)	85,851	28,058
Revenue bonds payable - Sewer Utility	25,109,184	26,856,325	-	51,965,509	2,519,359
Loan - direct placement	854,744	175,958	(230,998)	799,704	389,007
SBITAs	-	80,816	(40,897)	39,919	39,919
Premium	587,057	-	(39,874)	547,183	39,874
Net OPEB Obligation	3,356,446	-	(87,020)	3,269,426	280,549
Wisconsin retirement system:					
Net pension liability	-	1,175,936	-	1,175,936	-
Net OPEB liability - LRLIF	1,010,967	-	(336,676)	674,291	-
Employee benefits:					
Vacation pay	163,410	-	(20,129)	143,281	143,281
Sick pay	89,526	40,527	-	130,053	130,053
Comp pay	25,332	3,203	-	28,535	28,535
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 47,155,135</u></b>	<b><u>\$28,332,765</u></b>	<b><u>\$ (1,934,027)</u></b>	<b><u>\$ 73,553,873</u></b>	<b><u>\$ 4,789,529</u></b>
<b><u>COMPONENT UNIT</u></b>					
Revenue bond payable - RDA	<b><u>\$ 6,890,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,890,000</u></b>	<b><u>\$ -</u></b>

In prior years, the General Fund, Municipal Airport, Parking Utility, Water Utility, Sewer Utility, and Sanitary Sewer District Funds liquidated Vacation, Sick, and Comp Pay.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 7 - Long-Term Obligations - Continued**

**General Obligation Debt**

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the City. The general obligation debt is expected to be repaid with general property taxes, special assessments, proprietary fund revenue, and tax increments (TIF). General obligation debt at December 31, 2023, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/23</u>
<b>Bonds Payable</b>				
GO Bonds Payable A	2012	2.000 - 3.000	2026	\$ 1,100,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	1,500,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	760,000
GO Bonds Payable B	2015	2.000 - 3.000	2024	215,000
GO Bonds Payable A	2017	3.000 - 5.000	2032	3,560,000
GO Bonds Payable B	2017	3.000 - 5.000	2032	2,185,000
GO Bonds Payable D	2017	3.000 - 3.500	2037	11,960,000
GO Bonds Payable A	2018	3.000 - 5.000	2033	2,580,000
GO Bonds Payable A	2019	2.125 - 5.000	2034	4,820,000
GO Bonds Payable A	2020	1.125 - 2.000	2035	5,300,000
GO Bonds Payable C	2020	0.750 - 2.350	2040	31,375,000
GO Refunding Bonds Payable D	2020	0.300 - 1.400	2031	5,750,000
GO Bonds Payable A	2021	1.670 - 4.000	2036	11,315,000
GO Bonds Payable A	2022	3.000 - 4.000	2037	10,850,000
GO Bonds Payable B	2022	3.000 - 4.000	2032	2,490,000
GO Bonds Payable A	2023	4.000	2038	11,885,000
GO Bonds Payable B	2023	4.000	2038	<u>5,580,000</u>
TOTAL BONDS PAYABLE				<u>113,225,000</u>
<b>Notes Payable</b>				
GO Note Payable C - direct placement	2015	2.000	2024	505,000
State Trust Fund Loan 2015D - direct borrowing	2015	3.250	2025	78,914
State Trust Fund Loan 2015E - direct borrowing	2015	3.750	2030	430,133
GO Notes Payable A - direct placement	2016	2.000	2026	1,790,000
GO Notes Payable C - direct placement	2017	2.000 - 3.000	2027	720,000
State Trust Fund Loan 2017E - direct borrowing	2017	3.500	2027	361,739
GO Notes Payable B - direct placement	2018	3.000	2028	1,210,000
GO Notes Payable B - direct placement	2019	2.000 - 5.000	2029	875,000
GO Notes Payable B - direct placement	2020	1.125 - 2.000	2030	3,070,000
State Trust Fund Loan - TID 17	2020	2.500	2025	242,623
GO Anticipation Notes Payable - direct placement	2021	0.950	2026	4,235,000
GO Notes Payable B - direct placement	2021	1.000 - 2.000	2031	4,975,000
GO Notes Payable C - direct placement	2021	2.000 - 5.000	2031	2,200,000
GO Notes Payable - TID 17	2021	3.500	2026	98,143
State Trust Fund Loan	2022	2.500	2027	380,308
State Trust Fund Loan A	2022	3.000	2032	<u>592,487</u>
TOTAL NOTES PAYABLE				<u>21,764,347</u>
<b>Loan Payable - direct placement</b>				
Financed purchase - BOA Phase I & Phase II	2019	2.400	2039	4,403,041
Financial purchase - Fleet vehicles	2021	8.340	2026	<u>2,401,945</u>
TOTAL LOANS PAYABLE				<u>6,804,986</u>
<b>TOTAL GENERAL OBLIGATION DEBT</b>				<b><u>\$ 141,794,333</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 7 - Long-Term Obligations - Continued**

**General Obligation Debt Limit Calculation**

The 2023 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$5,461,333,600. The legal debt limit and margin of indebtedness as of December 31, 2023, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$5,461,333,600)	\$ 273,066,680
Applicable long-term debt	(141,794,333)
Amount available in debt service fund	<u>18,527,201</u>
<b>MARGIN OF INDEBTEDNESS</b>	<b><u>\$ 149,799,548</u></b>

**SBITA Liability**

The City has entered into various subscription agreements for the right to use certain IT software and support services. The agreements are for three-year terms with various monthly and annual payments. The interest rates were calculated using the City's incremental borrowing rate.

**Proprietary Fund Debt**

Proprietary fund debt is expected to be repaid by fund revenue and is comprised of the following individual issue at December 31, 2023:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/23</u>
Revenue Bond Anticipation Notes	2022	1.576%	2041	<b><u>\$ 51,965,509</u></b>

**Component Unit Debt**

Component unit debt is expected to be repaid by revenue of the entity and contributions from the City pursuant the contribution and cooperative agreement. Component unit debt at December 31, 2023, is comprised of the following individual issue:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/23</u>
Taxable Interim Redevelopment Revenue Bond	2021	1.890%	2026	\$ 3,000,000
Taxable Interim Redevelopment Revenue Bond	2022	2.520%	2027	<u>3,890,000</u>
				<b><u>\$ 6,890,000</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 7 - Long-Term Obligations - Continued**

**Maturities of Long-Term Obligations**

Maturities of the long-term obligations at December 31, 2023, are:

YEARS	GENERAL OBLIGATION DEBT					
	BONDS		NOTES PAYABLE DIRECT BORROWING AND PLACEMENT		LOANS DIRECT PLACEMENT	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024	\$ 8,765,000	\$ 3,029,826	\$ 4,362,292	\$ 484,595	\$ 1,584,570	\$ 216,820
2025	8,245,000	2,725,228	3,192,643	381,729	987,736	177,213
2026	8,495,000	2,476,921	6,849,128	265,337	480,278	125,375
2027	8,305,000	2,240,643	2,058,823	162,668	325,453	98,911
2028	8,120,000	2,007,643	1,709,189	105,485	261,834	79,758
2029-2033	40,360,000	6,946,168	3,592,272	112,997	1,396,718	298,950
2034-2038	26,555,000	2,369,624	-	-	1,574,607	121,062
2039-2040	4,380,000	155,109	-	-	193,790	1,739
<b>TOTAL</b>	<b><u>\$113,225,000</u></b>	<b><u>\$ 21,951,162</u></b>	<b><u>\$ 21,764,347</u></b>	<b><u>\$ 1,512,811</u></b>	<b><u>\$ 6,804,986</u></b>	<b><u>\$ 1,119,828</u></b>
			GOVERNMENTAL FUND DEBT SBITAS		PROPRIETARY FUND DEBT SBITAS	
YEARS			PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024			\$ 210,883	\$ 11,453	\$ 39,919	\$ 1,081
2025			220,315	5,851	-	-
			<b><u>\$ 431,198</u></b>	<b><u>\$ 17,304</u></b>	<b><u>\$ 39,919</u></b>	<b><u>\$ 1,081</u></b>
			PROPRIETARY FUND DEBT REVENUE BONDS		COMPONENT UNIT DEBT REVENUE BONDS	
YEARS			PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2024			\$ 2,519,359	\$ 798,564	\$ -	\$ 154,728
2025			2,559,064	759,106	-	154,728
2026			2,599,395	718,457	3,000,000	154,728
2027			2,640,361	677,168	3,890,000	98,028
2028			2,681,973	635,228	-	-
2029-2033			14,057,366	2,523,538	-	-
2034-2038			15,200,557	1,371,339	-	-
2039-2041			9,707,434	231,078	-	-
			<b><u>\$ 51,965,509</u></b>	<b><u>\$ 7,714,478</u></b>	<b><u>\$ 6,890,000</u></b>	<b><u>\$ 562,212</u></b>

**NOTE 8 - Conduit Debt Obligations**

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance at December 31, 2023 is \$4,098,082.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 9 - Wisconsin Retirement System**

**Plan Description** - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, 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.

ETF issued a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Vesting** - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

**Benefits Provided** - Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

**Post-Retirement Adjustments** - The Employee Trust Funds Board may periodically adjust annuity payments from the retirement system based on annual investment performance in accordance with s. 40.27, Wis. Stat. An increase (or decrease) in annuity payments may result when investment gains (losses), together with other actuarial experience factors, create a surplus (shortfall) in the reserves, as determined by the system's consulting actuary. Annuity increases are not based on cost of living or other similar factors. For Core annuities, decreases may be applied only to previously granted increases. By law, Core annuities cannot be reduced to an amount below the original, guaranteed amount (the "floor") set at retirement.



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 9 - Wisconsin Retirement System - Continued**

The Core and Variable annuity adjustments granted during recent years are as follows:

<b>Year</b>	<b>Core Fund Adjustment (%)</b>	<b>Variable Fund Adjustment (%)</b>
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0

**Contributions** - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives & Elected Officials Category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$3,543,969 in contributions from the employer.

Contribution rates as of December 31, 2022, are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including teachers, executives, and elected officials)	6.50%	6.50%
Protective with Social Security	6.50%	12.00%
Protective without Social Security	6.50%	16.40%

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

At December 31, 2023, the City reported a liability (asset) of \$16,168,497 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 0.30519821%, which was a decrease of 0.00304648% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized pension expense of \$8,232,031.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 9 - Wisconsin Retirement System - Continued**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 25,751,406	\$ 33,831,565
Net differences between projected and actual earnings on pension plan investments	27,466,545	-
Changes in assumptions	3,179,395	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	62,090	11,431
Employer contributions subsequent to the measurement date	4,231,606	-
<b>Total</b>	<b>\$ 60,691,042</b>	<b>\$ 33,842,996</b>

\$4,231,606 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2024	953,244
2025	4,682,893
2026	4,804,241
2027	12,176,058

**Actuarial Assumptions** - The total pension liability (asset) in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2021
Measurement Date of Net Pension Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

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

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 9 - Wisconsin Retirement System - Continued**

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

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

**Asset Allocation Targets and Expected Returns (as of December 31, 2022)**

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<b><u>Core Fund Asset Class</u></b>			
Global Equities	48	7.6	5.0
Fixed Income	25	5.3	2.7
Inflation Sensitive Assets	19	3.6	1.1
Real Estate	8	5.2	2.6
Private Equity/Debt	15	9.6	6.9
Total Core Fund	115	7.4	4.8
<b><u>Variable Fund Asset Class</u></b>			
U.S. Equities	70	7.2	4.6
International Equities	30	8.1	5.5
Total Variable Fund	100	7.7	5.1
New England Pension Consultants Long-Term US CPI (Inflation) Forecast : 2.5%			
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.			

**Single Discount Rate** - A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 4.05% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2022. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax- exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2023

**NOTE 9 - Wisconsin Retirement System - Continued**

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	<b>1% Decrease to Discount Rate (5.8%)</b>	<b>Current Discount Rate (6.8%)</b>	<b>1% Increase To Discount Rate (7.8%)</b>
City of La Crosse's proportionate share of the net pension liability (asset)	\$53,662,714	\$16,168,497	(\$9,624,309)

**Pension Plan Fiduciary Net Position** - Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Payables to the Pension Plan**

At December 31, 2023, the City reported a payable of \$549,247 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

**NOTE 10 - Local Retiree Life Insurance Fund - OPEB**

**General Information about the Other Post-Employment Benefits**

**Plan Description** - The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

**OPEB Plan Fiduciary Net Position** - ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

**Benefits Provided** - The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

**Contributions**

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 10 - Local Retiree Life Insurance Fund - OPEB - Continued**

Contribution rates as of December 31, 2022 are:

Coverage Type	Employer Contribution
50% Post Retirement Coverage	40% of employee contribution
25% Post Retirement Coverage	20% of employee contribution

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2022 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2022		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

During the reporting period, the LRLIF recognized \$21,459 contributions from the employer.

**OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs**

At December 31, 2023, the City reported a liability (asset) of \$4,074,758 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2022, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2021 rolled forward to December 31, 2022. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2022, the City's proportion was 1.06953900%, which was a decrease of 0.091997% from its proportion measured as of December 31, 2021.

For the year ended December 31, 2023, the City recognized OPEB expense of \$319,137.

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 398,782
Net differences between projected and actual earnings on OPEB investments	76,461	-
Changes in assumptions	1,463,973	2,405,225
Changes in proportion and differences between employer contributions and proportionate share of contributions	96,887	581,528
Employer contributions subsequent to the measurement date	63,627	-
<b>Total</b>	<b>\$1,700,948</b>	<b>\$3,385,535</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 10 - Local Retiree Life Insurance Fund - OPEB - Continued**

\$63,627 reported as deferred outflows related to OPEB resulting from the City's Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows/ (Inflows) of Resources
2024	(200,956)
2025	(136,290)
2026	(322,939)
2027	(491,107)
2028	(425,214)

**Actuarial Assumptions** - The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date of Net OPEB Liability (Asset)	December 31, 2022
Experience Study:	January 1, 2018 – December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.72%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.76%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.10% - 5.60%
Mortality:	Wisconsin 2020 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2022 is based upon a roll-forward of the liability calculated from the January 1, 2022 actuarial valuation.

**Long-Term Expected Return on Plan Assets** - The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 10 - Local Retiree Life Insurance Fund - OPEB - Continued**

**Local OPEB Life Insurance**  
Asset Allocation Targets and Expected Returns  
As of December 31, 2022

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interm Credit	50%	2.45%
US Mortgages	Bloomberg US MBS	50%	2.83%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25%. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30%.

**Single Discount Rate** - A single discount rate of 3.76% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.17% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.06% as of December 31, 2021 to 3.72% as of December 31, 2022. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

The projection of cash flows used to determine the single discount rate assumed that employer contributions will be made according to the current employer contribution schedule and that contributions are made by plan members retiring prior to age 65.

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** - The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.76%, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.76%) or 1-percentage-point higher (4.76%) than the current rate:

	1% Decrease to Discount Rate (2.76%)	Current Discount Rate (3.76%)	1% Increase To Discount Rate (4.76%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$5,555,502	\$4,074,758	\$2,939,941

**OPEB Plan Fiduciary Net Position.** Detailed information about the OPEB plan's fiduciary net position is available in separately issued financial statements available at <http://etf.wi.gov/publications/cafr.htm>.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 10 - Local Retiree Life Insurance Fund - OPEB - Continued**

**Payables to the OPEB Plan**

At December 31, 2023, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2023.

**NOTE 11 - Post-Employment Benefits Other Than Pensions**

**General Information about the Post-Employment Benefits Other Than Pensions**

**Plan Description** - The other post-employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and certain employment contracts and may be modified by the City Council. The plan is administered by the City and included in the City's financial statements.

**Benefits Provided** - Employees covered under the employee handbook hired prior to January 1, 2014 and at least 53-55 years of age (depending on employee category) with 10-20 years of continuous employment with the City (depending on employee category) are eligible to continue receiving medical coverage into retirement until reaching Medicare eligibility provided they pay the current employee portion of the premiums.

Police and fire employees hired prior to July 1, 2013 and at least 53 years of age with 15-20 years of continuous employment with the City (depending on employee category) are eligible to continue receiving medical coverage into retirement until reaching Medicare eligibility provided they pay the current employee portion of the premiums.

**Employees Covered** - As of the December 31, 2022 measurement date, the following employees were covered by the benefit terms. The plan is closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	153
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>183</u>
<b>Total</b>	<b><u>336</u></b>

**Contributions** - The City Council has the authority to establish the contribution requirements for the plan. Under the current plan, no contributions are made directly, rather the eligible retirees continue to be covered under the City's healthcare plan and the City pays a portion of the premium. The Council establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended December 31, 2023, the City paid \$2,902,093 in premium benefits.

**Actuarial Assumptions** - The OPEB healthcare liability in the December 31, 2022, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2022
Measurement Date:	December 31, 2022
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	N/A
Discount Rate:	4.00%
Salary Increases:	4.00%
Mortality:	WRS December 31, 2019 Valuation
Medical Care Cost Trend:	5% decreasing by .40% per year to 4.5%, and level thereafter



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 11 - Post-Employment Benefits Other Than Pensions - Continued**

The actuarial valuation was based upon the data provided by the City and utilized the premium rate history of the City's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of January 1, 2022. Actuarial assumptions are based upon the Wisconsin Retirement System December 31, 2022 Actuarial Valuation Report.

**Long-Term Expected Return on Plan Assets** - As of the measurement date, there were no plan assets.

**Discount Rate** - A discount rate of 4.00% was used to measure the total OPEB healthcare liability. This discount rate was based on a 20-year municipal bond rate. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability.

**Changes in the OPEB Healthcare Liability**

	OPEB HEALTHCARE LIABILITY
BEGINNING BALANCE	\$33,645,835
Changes for the year:	
Service	820,958
Interest	1,387,595
Difference between expected and actual experience	-
Changes of assumption and other inputs	622,747
Benefit payments	<u>(2,902,093)</u>
NET CHANGES	<u>(70,792)</u>
<b>ENDING BALANCE</b>	<b><u>\$33,575,042</u></b>

**Sensitivity of the OPEB Healthcare Liability to Changes in the Healthcare Cost Trend Rate -**

The following presents the OPEB healthcare liability calculated using the healthcare cost trend rate of 5 percent decreasing to 4.5 percent, as well as what the OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (4 percent decreasing to 3.5 percent) or 1-percentage-point higher (6 percent decreasing to 5.5 percent) than the current rate:

	1% Decrease to Healthcare Cost Rate (4% decreasing to 3.5%)	Current Healthcare Cost Rate (5% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (6% decreasing to 5.5%)
OPEB healthcare liability	\$35,688,415	\$33,575,042	\$31,619,968

**Sensitivity of the OPEB Healthcare Liability to Changes in the Discount Rate** - The following presents the OPEB healthcare liability calculated using the discount rate of 4.31 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease to Discount Rate (3.00%)	Current Discount Rate (4.00%)	1% Increase to Discount Rate (5.00%)
OPEB healthcare liability	\$31,056,244	\$33,575,042	\$36,431,918

**Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB Healthcare**

For the year ended December 31, 2023, the City recognized OPEB healthcare expense of \$3,064,858.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 11 - Post-Employment Benefits Other Than Pensions - Continued**

At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 230,782	\$ 2,579,700
Changes in assumptions	1,573,247	2,914,644
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$ 1,804,029</b>	<b>\$5,494,344</b>

\$-0- reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

Year ending December 31	Deferred Outflows/ (Inflows) of Resources
2024	\$(2,839,804)
2025	(706,802)
2026	(155,651)
2027	11,941

**Payables to the OPEB Healthcare Plan** - The City reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended December 31, 2023.

**NOTE 12 - Interfund Receivables, Payables, and Transfers**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Due To/From Other Funds		
General	Water Utility	\$ 846,023
General	Capital Equipment	384,460
General	TIF District #12	161,360
General	Local Grants	133,126
Federal Grants	General Fund	1,035
		<b><u>\$ 1,526,004</u></b>
Advances To/From Other Funds:		
General Fund	Transit	\$ 2,300,000
General Fund	TIF District #12	65,585
General Fund	Special Assigned	160,000
Parking Utility	TIF District #11	1,000,000
Water Utility	TIF District #10	202,364
Sewer Utility	TIF District #12	20,728
Debt Service Fund	TIF District #11	1,000,000
Special Assigned	TIF District #12	127,802
General Fund	HUD Grants	250,000
TIF District #11	TIF District #19	10,000
TIF District #11	TIF District #21	10,000
		<b><u>\$ 5,146,479</u></b>

The above balances resulted from the timing differences between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, (3) payments between funds are made, and (4) loans made between funds.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 12 - Interfund Receivables, Payables, and Transfers - Continued**

Individual fund transfers during 2023 are as follows:

TRANSFER OUT	TRANSFER IN:				TOTAL
	GENERAL FUND	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	PARKING UTILITY	
General Fund	\$ -	\$ 7,535,000	\$ 864,803	\$ -	\$ 8,399,803
Nonmajor Governmental Funds	1,633,910	2,908,121	8,785,214	1,024,231	14,351,476
Water Utility	823,120	-	-	-	823,120
Sewer Utility	22,903	-	-	-	22,903
<b>TOTAL</b>	<b>\$ 2,479,933</b>	<b>\$ 10,443,121</b>	<b>\$ 9,650,017</b>	<b>\$ 1,024,231</b>	<b>\$23,597,302</b>

Generally, transfers are used to move revenue from the fund that collects them to the fund that the budget requires to expend them and use unrestricted revenue collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 13 - Net Position and Fund Balances**

Portions of fund balances and net position are not available for current appropriations or expenditures as follows:

FUND	PURPOSE/REASON	AMOUNT
<b>Deficits</b>		
TIF District #10	Awaiting future TIF levies	\$ 58,036
TIF District #12	Awaiting future TIF levies	382,632
TIF District #19	Awaiting future TIF levies	815
TIF District #21	Awaiting future TIF levies	1,000
	<b>Total Deficits</b>	<b>\$ 442,483</b>

Portions of fund balances and net position are not available for current appropriations or expenditures as follows:

FUND	PURPOSE/REASON	AMOUNT
<b>Nonspendable</b>		
General Fund	Inventory and prepaid expenses	\$ 125,606
General Fund	Advances to other funds	2,775,585
General Fund	Delinquent personal property tax	345,200
La Crosse Center	Inventory and prepaids	172,114
Transit	Prepaid expenses and inventory	259,482
Capital Projects	Prepaid expenses and inventory	223,034
Capital Projects	Advances to other funds	20,000
Special Assigned	Prepaid expenses	26,236
Special Assigned	Advances to other funds	127,802
Debt Service	Advances to other funds	1,000,000
	<b>Total Nonspendable</b>	<b>\$ 5,075,059</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 13 - Net Position and Fund Balances - Continued**

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Restricted</u>		
Debt Service	Future debt repayment	\$ 17,527,201
Building and Land Capital Projects	Unspent bond monies	2,728,800
Capital Projects	Unspent bond monies	1,074,538
Capital Bonds	Unspent bond monies	8,605,254
Capital Notes	Unspent bond monies	2,448,513
TIF District #11	Future TIF expenditures	714,324
TIF District #13	Future TIF expenditures	8,833,846
TIF District #14	Future TIF expenditures	2,555,991
TIF District #15	Future TIF expenditures	1,226,235
TIF District #16	Future TIF expenditures	191,543
TIF District #17	Future TIF expenditures	1,582,331
TIF District #18	Future TIF expenditures	19,967
TIF District #20	Future TIF expenditures	29,546
Capital Equipment	Unspent bond monies	942,366
Flood Plan Control	Unspent bond monies	40,433
Parks and Recreation	Unspent bond monies	1,182,481
Roadway and Infrastructure	Unspent bond monies	5,156,885
HUD Grants	Future loan payments	781,036
Housing	Future payments	207
Federal Grants	Future payments	279,349
	<b>Total Restricted</b>	<b><u>\$ 55,920,846</u></b>
<u>Committed</u>		
State Grants	Future grant expenditures	\$ 336,922
Library	Future library expenditures	2,084,891
La Crosse Center	Future La Crosse Center expenditures	145,312
Special Assessments	Future special assessment expenditures	443,793
Special Assigned	Expenditures related to prior year budget commitments	7,452,086
Room Tax	Future room tax expenditures	2,431,772
	<b>Total Committed</b>	<b><u>\$ 12,894,776</u></b>
<u>Restricted - Governmental Activities</u>		
Capital Projects	Various projects	\$ 37,333,260
Debt Service	Future debt repayment	17,527,201
Special Revenue	Unspent bond monies (HUD & Federal)	1,060,385
	<b>Total Restricted - Governmental Activities</b>	<b><u>\$ 55,920,846</u></b>
<u>Restricted - Proprietary Funds and Business-Type Activities</u>		
Airport	Restricted for future projects	\$ 877,478
Sewer	DNR replacement reserve	3,182,533
Water	Replacement fund	136,655
Storm	Restricted for future projects	57,377
	<b>Total Restricted - Proprietary Funds and Business-Type Activities</b>	<b><u>\$ 4,254,043</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 14 - Contingent Liabilities and Commitments**

The City is a defendant in several lawsuits. In the opinion of the City Attorney and the City's management, resolution of these cases will not result in any material adverse effect on the City's operations or financial position. During 2020 and subsequent to year end, notices of injury were filed by a neighboring township's property owners regarding alleged private well contamination. As of the financial statement date, the dollar amount of a potential liability could not be reasonably determined as it is not yet probable that a liability will be incurred.

All capital projects fund balances consist of unspent bond proceeds which have been restricted for future projects.

The Component Unit has contracted with a master developer for a development project. The contract includes performance incentives with a maximum of \$825,000. The Component Unit also has a construction contract for the same development with \$2,437,908 remaining to be completed as of year-end.

**NOTE 15 - Tax Incremental Finance Districts**

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the City can recover its development and public improvement costs in Tax Incremental Finance District (TIF) designated areas. These costs are recovered from the increased valuation in the designated area. The City has financed development and public improvement costs in its TIF through general fund advances and through the issuance of general obligation long-term debt. Project costs have been reported primarily as Capital Projects Funds expenditures. Tax increments will be used to repay general fund advances and to meet maturing debt obligations incurred to provide financing for development and public improvement costs within the tax incremental district. The District is allowed to collect tax increments until its termination date. Any over-collections are returned to the various taxing entities of the District. The City becomes liable for any cost not recovered by the termination date.

The City has eleven active Tax Incremental Financing Districts. The following are project summaries of the activity and status of the districts through December 31, 2023:

	#10	#11	#12	#13	#14
<b>SOURCES OF FUNDS</b>					
TIF tax collections	\$ 1,330,750	\$ 42,423,058	\$ 9,078,213	\$ 19,915,069	\$ 17,471,677
Exempt computer aids	688,807	6,058,195	142,111	2,165,755	13,064,474
Payment from other government	105,234	-	-	-	-
Sale of assets	26,806	828,002	42,200	377,710	440,992
Grants	-	5,432,773	42,640	375,000	1,238,367
Economic development proceeds	-	640	-	128	-
DNR loan	-	-	-	216,657	-
Judgment/liquidated damages	-	2,000,000	-	200,000	-
Loan repayments	-	699,910	-	51,250	-
Interest income	11,071	361,096	14,411	446,904	280,381
Proceeds from long-term debt	240,750	37,061,983	7,355,928	8,586,767	1,185,993
Settlement from private	-	-	-	-	3,896,882
Transfers from other TIF's	-	400,608	748,500	2,036	5,000
<b>TOTAL SOURCES</b>	<b>2,403,418</b>	<b>95,266,265</b>	<b>17,424,003</b>	<b>32,337,276</b>	<b>37,583,766</b>
<b>USES OF FUNDS</b>					
Capital expenditures	2,233,212	61,376,175	9,635,046	12,180,241	19,141,352
Principal and interest on long-term debt	186,530	29,248,431	8,124,698	5,667,016	450,823
Interest on advances	41,712	1,025,659	46,891	46,157	8,781
Incentives for reverse TIF	-	2,880,978	-	188,685	12,766,639
Transfers to other TIF's	-	-	-	5,421,331	2,660,180
<b>TOTAL USES</b>	<b>2,461,454</b>	<b>94,531,243</b>	<b>17,806,635</b>	<b>23,503,430</b>	<b>35,027,775</b>
<b>FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021</b>	<b>\$ (58,036)</b>	<b>\$ 735,022</b>	<b>\$ (382,632)</b>	<b>\$ 8,833,846</b>	<b>\$ 2,555,991</b>
<b>FUTURE REQUIREMENTS</b>					
Debt service		\$ 14,657,010	\$ 3,402,646	\$ 4,479,619	\$ 25,823
Advances from other funds	202,364	2,000,000	214,115	-	-
Interest on advances	16,037	221,900	23,756	-	-
Proceeds from other governments	589,032	-	-	-	-
Estimated payable (developer's agreement)	-	3,200,000	-	-	4,460,000
Less receivables/plus payables	8,665	(222)	168,517	51,664	(30,000)
<b>TOTAL FUTURE REQUIREMENTS</b>	<b>816,098</b>	<b>20,078,688</b>	<b>3,809,034</b>	<b>4,531,283</b>	<b>4,455,823</b>
Less cash on hand (deficit)	(152,993)	(2,734,800)	-	(8,885,510)	(2,525,991)
<b>BALANCE TO BE COLLECTED ON TIF DISTRICT</b>	<b>\$ 663,105</b>	<b>\$ 17,343,888</b>	<b>\$ 3,809,034</b>	<b>\$ (4,354,227)</b>	<b>\$ 1,929,832</b>
<b>DISTRICT TERMINATION DATE</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2026</b>	<b>2026</b>
<b>2023 Tax Increment</b>	<b>\$ 237,641</b>	<b>\$ 4,709,693</b>	<b>\$ 584,605</b>	<b>\$ 3,321,676</b>	<b>\$ 1,513,309</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2023**

**NOTE 15 - Tax Incremental Finance Districts - Continued**

	#15	#16	#17	#18	#19	#20	#21
<b>SOURCES OF FUNDS</b>							
TIF tax collections	\$ 6,572,314	\$ 1,424,978	\$ 9,378,916	\$ 14,415	\$ -	\$ 28,995	\$ -
Exempt computer aids	627,102	17,193	120,683	-	-	-	-
Payment from other government	-	-	1,003,448	-	-	-	-
Sale of assets	30,704	-	139,107	-	-	-	-
Grants	-	-	2,722	-	-	-	-
Economic development proceeds	-	30,000	-	-	-	-	-
Judgment/liquidated damages	4,670	-	-	-	-	-	-
Loan repayments	53,542	-	-	-	-	-	-
Interest income	62,010	174,011	144,306	3,234	1	1,367	-
Proceeds from long-term debt	-	1,736,875	16,190,000	-	-	-	-
Proceeds from entity	272,935	803,739	-	-	-	-	-
Transfers from other TIF's	-	-	-	8,081,511	10,000	10,000	-
<b>TOTAL SOURCES</b>	<b><u>7,623,277</u></b>	<b><u>4,186,796</u></b>	<b><u>26,979,182</u></b>	<b><u>8,099,160</u></b>	<b><u>10,001</u></b>	<b><u>40,362</u></b>	<b><u>-</u></b>
<b>USES OF FUNDS</b>							
Capital expenditures	4,628,058	3,263,740	17,562,199	8,079,193	10,816	10,816	1,000
Principal and interest on long-term debt	-	705,596	7,834,224	-	-	-	-
Interest on advances	24	25,917	428	-	-	-	-
Incentives for reverse TIF	1,768,960	-	-	-	-	-	-
<b>TOTAL USES</b>	<b><u>6,397,042</u></b>	<b><u>3,995,253</u></b>	<b><u>25,396,851</u></b>	<b><u>8,079,193</u></b>	<b><u>10,816</u></b>	<b><u>10,816</u></b>	<b><u>1,000</u></b>
<b>FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021</b>	<b><u>\$ 1,226,235</u></b>	<b><u>\$ 191,543</u></b>	<b><u>\$ 1,582,331</u></b>	<b><u>\$ 19,967</u></b>	<b><u>\$ (815)</u></b>	<b><u>\$ 29,546</u></b>	<b><u>\$ (1,000)</u></b>
<b>FUTURE REQUIREMENTS</b>							
Debt service	\$ -	\$ 104,839	\$ 9,687,891	\$ -	\$ -	\$ -	\$ -
Estimated payable (developer's agreement)	3,850,000	3,948,000	1,100,000	-	-	-	-
Less receivables/plus payables	12,375	8,874	-	226,613	10,000	-	10,000
<b>TOTAL FUTURE REQUIREMENTS</b>	<b><u>3,862,375</u></b>	<b><u>4,061,713</u></b>	<b><u>10,787,891</u></b>	<b><u>226,613</u></b>	<b><u>10,000</u></b>	<b><u>-</u></b>	<b><u>10,000</u></b>
Less cash on hand (deficit)	(1,238,610)	(200,417)	(1,582,331)	(246,580)	(9,185)	(29,546)	(9,000)
<b>BALANCE TO BE COLLECTED OF TIF DISTRICT</b>	<b><u>\$ 2,623,765</u></b>	<b><u>\$ 3,861,296</u></b>	<b><u>\$ 9,205,560</u></b>	<b><u>\$ (19,967)</u></b>	<b><u>\$ 815</u></b>	<b><u>\$ (29,546)</u></b>	<b><u>\$ 1,000</u></b>
<b>DISTRICT TERMINATION DATE</b>	<b>2033</b>	<b>2034</b>	<b>2035</b>	<b>2042</b>	<b>2042</b>	<b>2042</b>	<b>2050</b>
<b>2023 Tax Increment</b>	<b><u>\$ 1,242,696</u></b>	<b><u>\$ 789,594</u></b>	<b><u>\$ 2,121,704</u></b>	<b><u>\$ 11,883</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2023

**NOTE 16 - Risk Management**

**Self-Insured Programs**

Effective 1986, the City began to self-insure its liability and workers' compensation exposures. The Liability Claims Fund is to be used solely for settling liability claims. The Workers' Compensation Fund is to be used only to meet any compensation claims under the Wisconsin Workers' Compensation Act. Funding comes from the City's annual operating budgets of the general and enterprise funds. The City must provide for 100 percent of any claims awarded by the funds.

The City also established a self-funded health plan for its employees. The plan administrators, Customer Benefit Administrators and Quartz (formerly Gundersen Lutheran Health Plan) are responsible for the approval, processing, and payment of claims, after which they bill the City for reimbursement. The City is also responsible for a monthly administrative fee. The plan reports on a fiscal year ending December 31.

As part of the health care coverage of the Plan, the City purchases specific stop loss insurance. Specific coverage pays claims in excess of \$100,000 per individual after the City has met a \$100,000 special combined aggregating deductible.

**Claims Liabilities** - The City records an estimated liability for health care, workers' compensation, and liability claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

**Unpaid Claims Liabilities** - The following represent the changes in approximate aggregate liabilities for the City from January 1, 2022 to December 31, 2023:

	Health Care	Workers' Compensation	Liability
Liability Balance, January 1, 2022	5,008,263	851,822	448,510
Claims and changes in estimates	8,966,642	469,193	228,442
Claim payments	<u>(9,190,159)</u>	<u>(255,657)</u>	<u>(278,309)</u>
Liability Balance, January 1, 2023	4,784,746	1,065,358	398,643
Claims and changes in estimates	11,303,351	58,532	664,195
Claim payments	<u>(11,057,484)</u>	<u>(58,390)</u>	<u>(443,251)</u>
<b>LIABILITY BALANCE, DECEMBER 31, 2023</b>	<b><u>\$ 5,030,613</u></b>	<b><u>\$ 1,065,500</u></b>	<b><u>\$ 619,587</u></b>

Claim payments are primarily funded through charges to the other funds.

**Participation in Risk Pool**

On January 1, 2014, the City joined Wisconsin Municipal Mutual Insurance Company (WMMIC). The WMMIC was organized as a non-assessable mutual insurance company on November 1, 1987. WMMIC is comprised on nineteen members, three cities, fifteen counties, and one special-use district. Members purchase general liability (including law enforcement professional), auto liability, cyberliability, and public official's errors and omissions liability insurance. Members also purchase workers compensation reinsurance through WMMIC. WMMIC provides claims administration for members for their self-funded liability and workers compensation programs.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2023

**NOTE 16 - Risk Management - Continued**

The WMMIC provides the City with \$10,000,000 of liability coverage for losses over their self-insured retention level of \$150,000 per occurrence with a \$600,000 aggregate stop loss. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating members based on payroll and loss history.

The WMMIC is a policy driven organization and as such, all WMMIC policies are approved by the Board of Directors. WMMIC members control the company through a strong committee structure that meets at least quarterly and makes recommendations to the Board of Directors. The Board of Directors and its Officers are comprised of official representatives of their respective member municipality.

The City is exposed to various risks of loss to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of coverage in any of the prior three fiscal years.



**CITY OF LA CROSSE, WISCONSIN**  
**REQUIRED SUPPLEMENTARY INFORMATION**

**CITY OF LA CROSSE, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND**  
**BUDGET AND ACTUAL**  
**YEAR ENDED DECEMBER 31, 2023**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUE</b>				
Taxes	\$ 40,124,910	\$ 40,124,910	\$ 40,383,044	\$ 258,134
Intergovernmental	18,184,333	18,184,333	18,326,501	142,168
Licenses and permits	1,817,174	1,817,174	1,609,565	(207,609)
Fines, forfeits, and penalties	1,100	1,100	525	(575)
Public charges for services	1,444,090	1,444,090	2,173,814	729,724
Intergovernmental charges for services	1,823,233	1,823,233	1,629,109	(194,124)
Miscellaneous	895,981	895,981	2,221,013	1,325,032
Change in FMV of investments	-	-	1,565,140	1,565,140
<b>TOTAL REVENUE</b>	<u>64,290,821</u>	<u>64,290,821</u>	<u>67,908,711</u>	<u>3,617,890</u>
<b>EXPENDITURES</b>				
Current				
General government	10,520,903	9,837,560	9,318,320	519,240
Public safety	26,434,114	26,443,789	27,033,277	(589,488)
Public works	10,309,738	10,605,168	9,800,523	804,645
Culture, recreation, and education	12,875,431	13,236,043	13,376,862	(140,819)
Conservation and development	413,896	431,522	409,207	22,315
Capital outlay	165,700	165,700	300,139	(134,439)
<b>TOTAL EXPENDITURES</b>	<u>60,719,782</u>	<u>60,719,782</u>	<u>60,238,328</u>	<u>481,454</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>3,571,039</u>	<u>3,571,039</u>	<u>7,670,383</u>	<u>4,099,344</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	4,674,886	4,674,886	2,479,933	(2,194,953)
Operating transfers (out)	(8,280,925)	(8,280,925)	(8,399,803)	(118,878)
Sale of capital assets	35,000	35,000	48,756	13,756
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(3,571,039)</u>	<u>(3,571,039)</u>	<u>(5,871,114)</u>	<u>(2,300,075)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	1,799,269	1,799,269
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>19,346,222</u>	<u>19,346,222</u>	<u>19,346,222</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 19,346,222</b></u>	<u><b>\$ 19,346,222</b></u>	<u><b>\$ 21,145,491</b></u>	<u><b>\$ 1,799,269</b></u>

The accompanying notes are an integral part of this schedule.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
YEAR ENDED DECEMBER 31, 2023

**Budgets and Budgetary Accounting** - The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Finance Committee recommends to the Common Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted in the Council Chambers to obtain taxpayer comments.
3. Prior to December 1, the budget is legally enacted through passage of a resolution.
4. The Director of Finance is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures of any department must be approved by the Common Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. Capital Projects Funds are budgeted on a project basis, rather than an annual basis. Formal budgets are not adopted for the Special Revenue Funds since they are not supported by property taxes, and effective control is achieved through alternative methods. Since all general obligation debt is secured by the full faith and credit of the City, budgetary control of the Debt Service Fund is achieved in the General Fund (which budgets an operating transfer to Debt Service for payment of principal and interest).
6. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgetary expenditure control is exercised at the department level within the Fund.
8. Budgeted amounts are as authorized in the original budget resolution and subsequent revisions are authorized by the Common Council.
9. There were \$-0- of supplemental appropriations to increase the total budget during the year.
10. Appropriations lapse at year end, except those identified as designated for carry over budget items.

**Excess of Actual Expenditures Over Budget**

General Fund expenditures exceeded budget in public safety by \$589,488, culture recreation and education by \$140,819, and capital outlay by \$134,439 for the year ended December 31, 2023. The over expenditures were financed by under expenditures in other functions and greater than anticipated revenue.

**CITY OF LA CROSSE, WISCONSIN**  
**OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2023**

SCHEDULE OF CHANGES IN THE OPEB HEALTHCARE LIABILITY AND RELATED RATIOS

	Last 10 Fiscal Years					
	2023	2022	2021	2020	2019	2018
<b>Total OPEB Healthcare Liability</b>						
Service cost	\$ 820,958	\$ 1,134,196	\$ 1,353,237	\$ 1,039,468	\$ 1,665,034	\$ 1,512,531
Interest	1,387,595	818,843	732,355	1,618,378	1,792,678	2,161,436
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	422,812	-	(13,863,827)	-	(8,856,250)
Changes of assumptions or other input	622,747	(3,787,202)	(726,246)	2,816,961	879,410	(3,448,173)
Benefit payments	(2,902,093)	(2,671,599)	(3,152,716)	(3,464,664)	(4,414,782)	(4,449,578)
Administrative expense	-	-	-	-	-	-
Other changes	-	-	-	-	(3,291)	(2,208,450)
Net Changes in Total OPEB Healthcare Liability	(70,793)	(4,082,950)	(1,793,370)	(11,853,684)	(80,951)	(15,288,484)
Total OPEB Healthcare Liability - Beginning	33,645,835	37,728,785	39,522,155	51,375,839	51,456,790	66,745,274
<b>Total OPEB Healthcare Liability - Ending</b>	<b>\$ 33,575,042</b>	<b>\$ 33,645,835</b>	<b>\$ 37,728,785</b>	<b>\$ 39,522,155</b>	<b>\$ 51,375,839</b>	<b>\$ 51,456,790</b>
Covered payroll	\$ 14,454,692	\$ 14,454,692	\$ 19,887,610	\$ 19,122,675	\$ 20,440,991	\$ 20,440,991
Net OPEB healthcare liability as a percentage of covered payroll	270.84%	251.25%	189.71%	206.68%	251.34%	251.73%

SCHEDULE OF CONTRIBUTIONS

	Last 10 Fiscal Years					
	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 14,454,692	\$ 14,454,692	\$ 19,887,610	\$ 19,122,675	\$ 20,440,991	\$ 20,440,991
Contributions as a percentage of covered payroll	-	-	-	-	-	-
Actuarial valuation date	1/1/2022	1/1/2022	1/1/2020	1/1/2020	1/1/2018	1/1/2018
Measurement date	12/31/2022	12/31/2022	12/31/2020	12/31/2020	12/31/2018	12/31/2018

The City implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2023**

Methods and assumptions used to determine actuarially calculations - entry age normal cost, 30 year level % open amortization, fair market value asset valuation, 4.00% discount rate, 4% salary increases, Wisconsin 2019 mortality table.

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions - there were no changes in the assumptions.

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET)**  
**Last 10 Fiscal Years**

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2022	0.30519821%	\$ 16,168,497	\$ 35,500,004	45.55%	95.72%
2021	0.30824469%	(24,845,089)	35,303,238	-70.38%	106.02%
2020	0.30960272%	(19,328,927)	36,278,721	-53.28%	105.26%
2019	0.30594952%	(9,865,210)	35,174,534	-28.05%	102.96%
2018	0.29907982%	10,640,823	33,894,372	31.39%	96.45%
2017	0.28830557%	(8,560,134)	32,414,141	-26.41%	102.93%
2016	0.27955334%	2,304,187	31,820,938	7.24%	99.12%
2016	0.27169553%	4,414,500	30,422,348	14.51%	98.20%
2014	0.27001724%	(6,632,361)	29,513,033	-22.47%	102.74%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 3,543,969	\$ (3,543,969)	\$ -	\$ 35,500,004	9.98%
2022	3,540,369	(3,540,369)	-	35,303,238	10.03%
2021	3,505,883	(3,505,883)	-	36,278,721	9.66%
2020	3,250,304	(3,250,304)	-	35,174,534	9.24%
2019	3,168,907	(3,168,907)	-	33,894,372	9.35%
2018	3,030,212	(3,030,212)	-	32,414,141	9.35%
2017	2,755,204	(2,755,204)	-	31,820,938	8.66%
2017	2,661,909	(2,661,909)	-	30,422,348	8.75%
2015	2,689,659	(2,689,659)	-	29,513,033	9.11%

The City implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2023**

Changes of benefit terms - there were no changes of benefit terms.

Changes of assumptions:

Based on a three-year experience study conducted in 2022 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

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

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

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

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued**  
**YEAR ENDED DECEMBER 31, 2023**

**SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:**

	2022	2021	2020	2019	2018
Valuation Date:	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016
Amortization Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS
Asset Valuation Method:	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return	5.4%	5.4%	5.4%	5.5%	5.5%
Weighted Based on Assumed Rate for:					
Pre-retirement:	7.0%	7.0%	7.0%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.2%	3.2%
Seniority/Merit:	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%
Post-retirement Benefit Adjustments*:	1.9%	1.9%	1.9%	2.1%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014
Retirement Age:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)

Mortality:

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

(Continued on page 72)

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued**  
**YEAR ENDED DECEMBER 31, 2023**

SIGNIFICANT METHODS AND ASSUMPTIONS USED IN CALCULATING WISCONSIN RETIREMENT SYSTEM ACTUARIALLY DETERMINED CONTRIBUTIONS:

	2017	2016	2015	2014	2013
Valuation Date:	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Amortization Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS
Asset Valuation Method:	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted Based on Assumed Rate for;					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008
Retirement Age:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

Mortality:

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

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2023**

**SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)**  
**Last 10 Fiscal Years**

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2022	1.06953900%	\$ 4,074,758	\$ 32,797,000	12.42%	38.81%
2021	1.16153600%	6,865,107	33,183,000	20.69%	29.57%
2020	1.22622300%	6,745,112	32,350,000	20.85%	31.36%
2019	1.17931200%	5,021,740	31,321,000	16.03%	37.58%
2018	1.20713400%	3,114,813	30,307,000	10.28%	48.69%
2017	1.19802700%	3,604,360	50,380,462	7.15%	44.81%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 21,459	(21,459)	\$ -	\$ 32,797,000	0.07%
2022	23,773	(23,773)	-	33,183,000	0.07%
2021	24,451	(24,451)	-	32,350,000	0.08%
2020	21,319	(21,319)	-	31,321,000	0.07%
2019	23,257	(23,257)	-	30,307,000	0.08%
2018	22,750	(22,750)	-	50,380,462	0.05%

The City implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the preceding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2023**

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the local retiree life insurance fund.

Changes of assumptions:

In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.



**CITY OF LA CROSSE, WISCONSIN**

**SUPPLEMENTARY INFORMATION**

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2023**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 13,347,763	\$ 46,002,877	\$ 59,350,640
Receivable			
Taxes	167,434	14,521,191	14,688,625
Accounts and other	666,316	242,005	908,321
Special assessments	533,547	-	533,547
Loan	400,000	635,941	1,035,941
Due from other funds	155,264	11,883	167,147
Due from other governments	3,498,063	1,373,000	4,871,063
Inventories	250,214	-	250,214
Prepays	207,618	223,034	430,652
Leases receivable	1,670,386	239,020	1,909,406
Advances to other funds	<u>127,802</u>	<u>20,000</u>	<u>147,802</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 21,024,407</u></b>	<b><u>\$ 63,268,951</u></b>	<b><u>\$ 84,293,358</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
<b>LIABILITIES</b>			
Accounts payable	\$ 399,466	\$ 7,315,662	\$ 7,715,128
Accrued expenses			
Payroll	215,065	-	215,065
Interest	-	11,453	11,453
Due to other funds	133,126	545,820	678,946
Due to other governments	1,120,703	342,040	1,462,743
Deposit payable	62,681	-	62,681
Unearned revenue - other	990,991	712,823	1,703,814
Advances from other funds	<u>2,460,000</u>	<u>2,436,479</u>	<u>4,896,479</u>
TOTAL LIABILITIES	<u>5,382,032</u>	<u>11,364,277</u>	<u>16,746,309</u>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - tax roll	155,264	14,533,074	14,688,338
Unavailable revenue - special assessments	517,557	-	517,557
Leases	<u>1,649,862</u>	<u>237,789</u>	<u>1,887,651</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>2,322,683</u>	<u>14,770,863</u>	<u>17,093,546</u>
 <b>FUND BALANCES</b>			
Nonspendable	585,634	243,034	828,668
Restricted	-	37,333,260	37,333,260
Committed	12,894,776	-	12,894,776
Unassigned	<u>(160,718)</u>	<u>(442,483)</u>	<u>(603,201)</u>
TOTAL FUND BALANCES	<u>13,319,692</u>	<u>37,133,811</u>	<u>50,453,503</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 21,024,407</u></b>	<b><u>\$ 63,268,951</u></b>	<b><u>\$ 84,293,358</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUE</b>			
Taxes	\$ 182,834	\$ 10,774,830	\$ 10,957,664
Special assessment	217,490	-	217,490
Intergovernmental	6,394,190	3,574,465	9,968,655
Licenses and permits	1,060,473	-	1,060,473
Fines, forfeits, and penalties	855,163	-	855,163
Public charges for services	5,897,687	13,059	5,910,746
Intergovernmental charges for services	622,001	-	622,001
Miscellaneous	1,161,513	1,609,408	2,770,921
Change in fair value of investments	83,382	-	83,382
<b>TOTAL REVENUE</b>	<b>16,474,733</b>	<b>15,971,762</b>	<b>32,446,495</b>
<b>EXPENDITURES</b>			
Current			
General government	440,408	7,983	448,391
Public safety	595,757	-	595,757
Public works	6,831,634	-	6,831,634
Health and human services	153,585	-	153,585
Culture, recreation, and education	5,788,255	23,600	5,811,855
Conservation and development	723,835	480,232	1,204,067
Debt service			
Principal	6,015	821,381	827,396
Interest	850	231,071	231,921
Other	-	-	-
Capital outlay	1,196,795	36,563,245	37,760,040
<b>TOTAL EXPENDITURES</b>	<b>15,737,134</b>	<b>38,127,512</b>	<b>53,864,646</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>737,599</b>	<b>(22,155,750)</b>	<b>(21,418,151)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,283,687	8,366,330	9,650,017
Transfers (out)	(3,938,415)	(10,413,061)	(14,351,476)
Sale of capital assets	5,061	170,051	175,112
Issuance of long-term debt	-	17,681,904	17,681,904
Subscription-based IT arrangements	-	649,768	649,768
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(2,649,667)</b>	<b>16,454,992</b>	<b>13,805,325</b>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER     (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(1,912,068)</b>	<b>(5,700,758)</b>	<b>(7,612,826)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>15,231,760</b>	<b>42,834,569</b>	<b>58,066,329</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 13,319,692</b>	<b>\$ 37,133,811</b>	<b>\$ 50,453,503</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2023**

	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>ASSETS</b>									
Cash and investments	\$ 509,662	\$ -	\$ 2,084,891	\$ 177,244	\$ 94,518	\$ 259,436	\$ 7,790,240	\$ 2,431,772	\$ 13,347,763
Receivable									
Taxes	-	-	-	-	-	167,434	-	-	167,434
Accounts and other	1,954	250,000	-	222,630	137,445	1,012	53,275	-	666,316
Special assessments	-	-	-	-	-	533,547	-	-	533,547
Loan	-	-	-	-	-	-	400,000	-	400,000
Due from other funds	-	-	-	-	-	155,264	-	-	155,264
Due from other governments	112,151	-	-	-	3,379,212	-	6,700	-	3,498,063
Inventories	-	-	-	17,614	232,600	-	-	-	250,214
Prepays	-	-	-	154,500	26,882	-	26,236	-	207,618
Leases receivable	-	-	-	-	-	-	1,670,386	-	1,670,386
Advances to other funds	-	-	-	-	-	-	127,802	-	127,802
<b>TOTAL ASSETS</b>	<b>\$ 623,767</b>	<b>\$ 250,000</b>	<b>\$ 2,084,891</b>	<b>\$ 571,988</b>	<b>\$ 3,870,657</b>	<b>\$ 1,116,693</b>	<b>\$ 10,074,639</b>	<b>\$ 2,431,772</b>	<b>\$ 21,024,407</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ 20,369	\$ 5,875	\$ -	\$ 84,375	\$ 130,599	\$ 79	\$ 158,169	\$ -	\$ 399,466
Accrued expenses									
Payroll	-	-	-	18,208	196,857	-	-	-	215,065
Due to other funds	-	133,126	-	-	-	-	-	-	133,126
Due to other governments	-	-	-	-	1,100,934	-	19,769	-	1,120,703
Deposit payable	-	-	-	-	-	-	62,681	-	62,681
Unearned revenue - other	266,476	110,999	-	151,979	43,503	-	418,034	-	990,991
Advances from other funds	-	-	-	-	2,300,000	-	160,000	-	2,460,000
<b>TOTAL LIABILITIES</b>	<b>286,845</b>	<b>250,000</b>	<b>-</b>	<b>254,562</b>	<b>3,771,893</b>	<b>79</b>	<b>818,653</b>	<b>-</b>	<b>5,382,032</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - tax roll	-	-	-	-	-	155,264	-	-	155,264
Unavailable revenue - special assessments	-	-	-	-	-	517,557	-	-	517,557
Leases	-	-	-	-	-	-	1,649,862	-	1,649,862
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>672,821</b>	<b>1,649,862</b>	<b>-</b>	<b>2,322,683</b>
<b>FUND BALANCES</b>									
Nonspendable	-	-	-	172,114	259,482	-	154,038	-	585,634
Committed	336,922	-	2,084,891	145,312	-	443,793	7,452,086	2,431,772	12,894,776
Unassigned	-	-	-	-	(160,718)	-	-	-	(160,718)
<b>TOTAL FUND BALANCES</b>	<b>336,922</b>	<b>-</b>	<b>2,084,891</b>	<b>317,426</b>	<b>98,764</b>	<b>443,793</b>	<b>7,606,124</b>	<b>2,431,772</b>	<b>13,319,692</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 623,767</b>	<b>\$ 250,000</b>	<b>\$ 2,084,891</b>	<b>\$ 571,988</b>	<b>\$ 3,870,657</b>	<b>\$ 1,116,693</b>	<b>\$ 10,074,639</b>	<b>\$ 2,431,772</b>	<b>\$ 21,024,407</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>REVENUE</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 182,834	\$ 182,834
Special assessment	-	-	-	-	-	217,490	-	-	217,490
Intergovernmental	586,168	677,958	4,700	-	4,979,504	-	145,860	-	6,394,190
Licenses and permits	-	-	-	-	-	-	1,060,473	-	1,060,473
Fines, forfeits, and penalties	-	-	-	-	-	-	855,163	-	855,163
Public charges for services	-	-	-	3,781,978	470,671	-	1,599,700	45,338	5,897,687
Intergovernmental charges for services	-	-	-	-	423,474	-	198,527	-	622,001
Miscellaneous	-	-	266,863	26,951	253,445	20,422	474,263	119,569	1,161,513
Change in fair value of investments	-	-	83,382	-	-	-	-	-	83,382
<b>TOTAL REVENUE</b>	<u>586,168</u>	<u>677,958</u>	<u>354,945</u>	<u>3,808,929</u>	<u>6,127,094</u>	<u>237,912</u>	<u>4,333,986</u>	<u>347,741</u>	<u>16,474,733</u>
<b>EXPENDITURES</b>									
Current									
General government	-	-	-	-	-	952	439,456	-	440,408
Public safety	270,215	-	-	-	-	-	325,542	-	595,757
Public works	-	-	-	-	6,774,637	56,997	-	-	6,831,634
Health and human services	-	-	-	-	-	-	153,585	-	153,585
Culture, recreation, and education	10,950	18,215	320,203	3,444,268	-	-	1,994,619	-	5,788,255
Conservation and development	239,518	218,397	-	-	-	-	265,920	-	723,835
Debt service									
Principal	-	-	-	-	6,015	-	-	-	6,015
Interest	-	-	-	-	850	-	-	-	850
Capital outlay	126,067	441,346	-	14,703	59,066	49,650	505,963	-	1,196,795
<b>TOTAL EXPENDITURES</b>	<u>646,750</u>	<u>677,958</u>	<u>320,203</u>	<u>3,458,971</u>	<u>6,840,568</u>	<u>107,599</u>	<u>3,685,085</u>	<u>-</u>	<u>15,737,134</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(60,582)</u>	<u>-</u>	<u>34,742</u>	<u>349,958</u>	<u>(713,474)</u>	<u>130,313</u>	<u>648,901</u>	<u>347,741</u>	<u>737,599</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Transfers in	-	-	-	69,895	800,925	-	412,867	-	1,283,687
Transfers (out)	-	-	-	(419,853)	(55,000)	-	(2,959,542)	(504,020)	(3,938,415)
Sale of capital assets	-	-	-	-	1,196	-	3,865	-	5,061
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(349,958)</u>	<u>747,121</u>	<u>-</u>	<u>(2,542,810)</u>	<u>(504,020)</u>	<u>(2,649,667)</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(60,582)</u>	<u>-</u>	<u>34,742</u>	<u>-</u>	<u>33,647</u>	<u>130,313</u>	<u>(1,893,909)</u>	<u>(156,279)</u>	<u>(1,912,068)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>397,504</u>	<u>-</u>	<u>2,050,149</u>	<u>317,426</u>	<u>65,117</u>	<u>313,480</u>	<u>9,500,033</u>	<u>2,588,051</u>	<u>15,231,760</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 336,922</u>	<u>\$ -</u>	<u>\$ 2,084,891</u>	<u>\$ 317,426</u>	<u>\$ 98,764</u>	<u>\$ 443,793</u>	<u>\$ 7,606,124</u>	<u>\$ 2,431,772</u>	<u>\$ 13,319,692</u>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**DECEMBER 31, 2023**

ASSETS	CAPITAL PROJECTS	CAPITAL BONDS	CAPITAL NOTES	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
Cash and investments	\$ 1,074,538	\$ 9,008,303	\$ 4,184,839	\$ 152,993	\$ 2,734,800	\$ -	\$ 8,885,510	\$ 2,525,991	\$ 1,238,610	\$ 200,417	\$ 1,582,331
Receivable											
Taxes	-	-	-	237,641	4,709,693	584,605	3,321,676	1,513,309	1,242,969	789,594	2,121,704
Accounts and other	-	-	-	-	10,739	-	4,462	52,635	29,529	-	-
Loan	-	-	-	-	67,392	-	37,607	235,650	295,292	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-	-	-
Prepays	-	-	208,118	-	698	-	-	-	-	-	-
Leases receivable	-	-	-	-	-	-	239,020	-	-	-	-
Advances to other funds	-	-	-	-	20,000	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,074,538</b>	<b>\$ 9,008,303</b>	<b>\$ 4,392,957</b>	<b>\$ 390,634</b>	<b>\$ 7,543,322</b>	<b>\$ 584,605</b>	<b>\$ 12,488,275</b>	<b>\$ 4,327,585</b>	<b>\$ 2,806,400</b>	<b>\$ 990,011</b>	<b>\$ 3,704,035</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ -	\$ 403,049	\$ 1,736,326	\$ 8,665	\$ 24,476	\$ 7,157	\$ 53,596	\$ -	\$ 12,375	\$ 8,874	\$ -
Accrued expenses											
Interest	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	161,360	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	74,131	-	41,368	258,285	324,821	-	-
Advances from other funds	-	-	-	202,364	2,000,000	214,115	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>403,049</b>	<b>1,736,326</b>	<b>211,029</b>	<b>2,098,607</b>	<b>382,632</b>	<b>94,964</b>	<b>258,285</b>	<b>337,196</b>	<b>8,874</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - tax roll	-	-	-	237,641	4,709,693	584,605	3,321,676	1,513,309	1,242,969	789,594	2,121,704
Leases	-	-	-	-	-	-	237,789	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>237,641</b>	<b>4,709,693</b>	<b>584,605</b>	<b>3,559,465</b>	<b>1,513,309</b>	<b>1,242,969</b>	<b>789,594</b>	<b>2,121,704</b>
<b>FUND BALANCES</b>											
Nonspendable	-	-	208,118	-	20,698	-	-	-	-	-	-
Restricted	1,074,538	8,605,254	2,448,513	-	714,324	-	8,833,846	2,555,991	1,226,235	191,543	1,582,331
Unassigned	-	-	-	(58,036)	-	(382,632)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,074,538</b>	<b>8,605,254</b>	<b>2,656,631</b>	<b>(58,036)</b>	<b>735,022</b>	<b>(382,632)</b>	<b>8,833,846</b>	<b>2,555,991</b>	<b>1,226,235</b>	<b>191,543</b>	<b>1,582,331</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,074,538</b>	<b>\$ 9,008,303</b>	<b>\$ 4,392,957</b>	<b>\$ 390,634</b>	<b>\$ 7,543,322</b>	<b>\$ 584,605</b>	<b>\$ 12,488,275</b>	<b>\$ 4,327,585</b>	<b>\$ 2,806,400</b>	<b>\$ 990,011</b>	<b>\$ 3,704,035</b>

(Continued on page 79)

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR CAPITAL PROJECT FUNDS - Continued**  
**DECEMBER 31, 2023**

ASSETS	TIF 18	TIF 19	TIF 20	TIF 21	CAPITAL EQUIPMENT	BUILDINGS AND LAND CAPITAL PROJECTS	FLOODPLAIN CONTROL	HOUSING	PARKS AND RECREATION	ROADWAY AND INFRA- STRUCTURE	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
Cash and investments	\$ 246,580	\$ 9,185	\$ 29,546	\$ 9,000	\$ 355,356	\$ 3,519,980	\$ 40,433	\$ 707	\$ 1,568,199	\$ 8,635,559	\$ 46,002,877
Receivable											
Taxes	-	-	-	-	-	-	-	-	-	-	14,521,191
Accounts and other	-	-	-	-	19,610	113,928	-	-	-	11,102	242,005
Loan	-	-	-	-	-	-	-	-	-	-	635,941
Due from other funds	11,883	-	-	-	-	-	-	-	-	-	11,883
Due from other governments	-	-	-	-	1,373,000	-	-	-	-	-	1,373,000
Prepays	-	-	-	-	14,218	-	-	-	-	-	223,034
Leases receivable	-	-	-	-	-	-	-	-	-	-	239,020
Advances to other funds	-	-	-	-	-	-	-	-	-	-	20,000
<b>TOTAL ASSETS</b>	<b>\$ 258,463</b>	<b>\$ 9,185</b>	<b>\$ 29,546</b>	<b>\$ 9,000</b>	<b>\$ 1,762,184</b>	<b>\$ 3,633,908</b>	<b>\$ 40,433</b>	<b>\$ 707</b>	<b>\$ 1,568,199</b>	<b>\$ 8,646,661</b>	<b>\$ 63,268,951</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ 226,613	\$ -	\$ -	\$ -	\$ 53,429	\$ 905,108	\$ -	\$ 500	\$ 385,718	\$ 3,489,776	\$ 7,315,662
Accrued expenses											
Interest	-	-	-	-	11,453	-	-	-	-	-	11,453
Due to other funds	-	-	-	-	384,460	-	-	-	-	-	545,820
Due to other governments	-	-	-	-	342,040	-	-	-	-	-	342,040
Unearned revenue - other	-	-	-	-	14,218	-	-	-	-	-	712,823
Advances from other funds	-	10,000	-	10,000	-	-	-	-	-	-	2,436,479
<b>TOTAL LIABILITIES</b>	<b>226,613</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>	<b>805,600</b>	<b>905,108</b>	<b>-</b>	<b>500</b>	<b>385,718</b>	<b>3,489,776</b>	<b>11,364,277</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue - tax roll	11,883	-	-	-	-	-	-	-	-	-	14,533,074
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-	-	237,789
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>11,883</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,770,863</b>
<b>FUND BALANCES</b>											
Nonspendable	-	-	-	-	14,218	-	-	-	-	-	243,034
Restricted	19,967	-	29,546	-	942,366	2,728,800	40,433	207	1,182,481	5,156,885	37,333,260
Unassigned	-	(815)	-	(1,000)	-	-	-	-	-	-	(442,483)
<b>TOTAL FUND BALANCES</b>	<b>19,967</b>	<b>(815)</b>	<b>29,546</b>	<b>(1,000)</b>	<b>956,584</b>	<b>2,728,800</b>	<b>40,433</b>	<b>207</b>	<b>1,182,481</b>	<b>5,156,885</b>	<b>37,133,811</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 258,463</b>	<b>\$ 9,185</b>	<b>\$ 29,546</b>	<b>\$ 9,000</b>	<b>\$ 1,762,184</b>	<b>\$ 3,633,908</b>	<b>\$ 40,433</b>	<b>\$ 707</b>	<b>\$ 1,568,199</b>	<b>\$ 8,646,661</b>	<b>\$ 63,268,951</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	CAPITAL PROJECTS	CAPITAL BONDS	CAPITAL NOTES	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
<b>REVENUE</b>											
Taxes	\$ -	\$ -	\$ -	\$ 271,620	\$ 3,074,050	\$ 451,659	\$ 2,729,672	\$ 1,619,509	\$ 840,997	\$ 276,716	\$ 1,504,193
Intergovernmental	-	-	-	4,956	495,845	9,488	208,099	733,821	77,240	2,102	17,393
Public charges for services	-	-	-	-	-	-	-	13,059	-	-	-
Miscellaneous	-	-	-	8,483	204,150	5,897	319,197	146,359	49,069	163,401	93,928
<b>TOTAL REVENUE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>285,059</b>	<b>3,774,045</b>	<b>467,044</b>	<b>3,256,968</b>	<b>2,512,748</b>	<b>967,306</b>	<b>442,219</b>	<b>1,615,514</b>
<b>EXPENDITURES</b>											
Current											
General government	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation and education	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	132,686	25,130	47,436	22,969	44,695	34,083	29,663	25,171	35,941
Debt service											
Principal	-	-	204,589	-	-	52,899	-	-	-	366,000	116,899
Interest	-	-	-	10,164	100,450	28,868	71,148	-	-	-	8,988
Capital outlay	916,362	3,229,188	2,554,805	218,917	3,088,157	82,667	106,499	861,946	265,550	33,859	397,811
<b>TOTAL EXPENDITURES</b>	<b>916,362</b>	<b>3,229,188</b>	<b>2,892,080</b>	<b>254,211</b>	<b>3,236,043</b>	<b>187,403</b>	<b>222,342</b>	<b>896,029</b>	<b>295,213</b>	<b>425,030</b>	<b>559,639</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(916,362)</b>	<b>(3,229,188)</b>	<b>(2,892,080)</b>	<b>30,848</b>	<b>538,002</b>	<b>279,641</b>	<b>3,034,626</b>	<b>1,616,719</b>	<b>672,093</b>	<b>17,189</b>	<b>1,055,875</b>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(2,019,101)	(485,000)	(3,760,307)	(2,760,180)	(50,000)	-	(1,079,231)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	11,834,442	5,548,711	-	-	-	-	-	-	-	-
Subscription-based IT arrangements	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>11,834,442</b>	<b>5,548,711</b>	<b>-</b>	<b>(2,019,101)</b>	<b>(485,000)</b>	<b>(3,760,307)</b>	<b>(2,760,180)</b>	<b>(50,000)</b>	<b>-</b>	<b>(1,079,231)</b>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>(916,362)</b>	<b>8,605,254</b>	<b>2,656,631</b>	<b>30,848</b>	<b>(1,481,099)</b>	<b>(205,359)</b>	<b>(725,681)</b>	<b>(1,143,461)</b>	<b>622,093</b>	<b>17,189</b>	<b>(23,356)</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>1,990,900</b>	<b>-</b>	<b>-</b>	<b>(88,884)</b>	<b>2,216,121</b>	<b>(177,273)</b>	<b>9,559,527</b>	<b>3,699,452</b>	<b>604,142</b>	<b>174,354</b>	<b>1,605,687</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 1,074,538</b>	<b>\$ 8,605,254</b>	<b>\$ 2,656,631</b>	<b>\$ (58,036)</b>	<b>\$ 735,022</b>	<b>\$ (382,632)</b>	<b>\$ 8,833,846</b>	<b>\$ 2,555,991</b>	<b>\$ 1,226,235</b>	<b>\$ 191,543</b>	<b>\$ 1,582,331</b>

(Continued on page 81)



**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS - Continued**  
**YEAR ENDED DECEMBER 31, 2023**

	TIF 18	TIF 19	TIF 20	TIF 21	CAPITAL EQUIPMENT	BUILDINGS AND LAND CAPITAL PROJECTS	FLOODPLAIN CONTROL	HOUSING	PARKS AND RECREATION	ROADWAY AND INFRA- STRUCTURE	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
<b>REVENUE</b>											
Taxes	\$ -	\$ -	\$ 6,414	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,774,830
Intergovernmental	-	-	-	-	1,167,219	435,413	-	-	250,000	172,889	3,574,465
Public charges for services	-	-	-	-	-	-	-	-	-	-	13,059
Miscellaneous	1,358	-	1,040	-	26,757	207,699	1,413	82	72,681	307,894	1,609,408
<b>TOTAL REVENUE</b>	<u>1,358</u>	<u>-</u>	<u>7,454</u>	<u>-</u>	<u>1,193,976</u>	<u>643,112</u>	<u>1,413</u>	<u>82</u>	<u>322,681</u>	<u>480,783</u>	<u>15,971,762</u>
<b>EXPENDITURES</b>											
Current											
General government	-	-	-	-	-	-	-	3,500	-	4,483	7,983
Culture, recreation and education	-	-	-	-	-	-	-	-	23,600	-	23,600
Conservation and development	81,486	486	486	-	-	-	-	-	-	-	480,232
Debt service											
Principal	-	-	-	-	80,994	-	-	-	-	-	821,381
Interest	-	-	-	-	11,453	-	-	-	-	-	231,071
Capital outlay	6,305,638	-	-	1,000	3,638,598	7,691,544	-	-	1,506,640	5,664,064	36,563,245
<b>TOTAL EXPENDITURES</b>	<u>6,387,124</u>	<u>486</u>	<u>486</u>	<u>1,000</u>	<u>3,731,045</u>	<u>7,691,544</u>	<u>-</u>	<u>3,500</u>	<u>1,530,240</u>	<u>5,668,547</u>	<u>38,127,512</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(6,385,766)</u>	<u>(486)</u>	<u>6,968</u>	<u>(1,000)</u>	<u>(2,537,069)</u>	<u>(7,048,432)</u>	<u>1,413</u>	<u>(3,418)</u>	<u>(1,207,559)</u>	<u>(5,187,764)</u>	<u>(22,155,750)</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Transfers in	6,420,487	-	-	-	385,000	1,344,843	-	-	200,000	16,000	8,366,330
Transfers (out)	-	-	-	-	-	(259,242)	-	-	-	-	(10,413,061)
Sale of capital assets	-	-	-	-	170,051	-	-	-	-	-	170,051
Issuance of long-term debt	-	-	-	-	298,751	-	-	-	-	-	17,681,904
Capital lease proceeds	-	-	-	-	649,768	-	-	-	-	-	649,768
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>6,420,487</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,503,570</u>	<u>1,085,601</u>	<u>-</u>	<u>-</u>	<u>200,000</u>	<u>16,000</u>	<u>16,454,992</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>34,721</u>	<u>(486)</u>	<u>6,968</u>	<u>(1,000)</u>	<u>(1,033,499)</u>	<u>(5,962,831)</u>	<u>1,413</u>	<u>(3,418)</u>	<u>(1,007,559)</u>	<u>(5,171,764)</u>	<u>(5,700,758)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>(14,754)</u>	<u>(329)</u>	<u>22,578</u>	<u>-</u>	<u>1,990,083</u>	<u>8,691,631</u>	<u>39,020</u>	<u>3,625</u>	<u>2,190,040</u>	<u>10,328,649</u>	<u>42,834,569</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,967</u>	<u>\$ (815)</u>	<u>\$ 29,546</u>	<u>\$ (1,000)</u>	<u>\$ 956,584</u>	<u>\$ 2,728,800</u>	<u>\$ 40,433</u>	<u>\$ 207</u>	<u>\$ 1,182,481</u>	<u>\$ 5,156,885</u>	<u>\$ 37,133,811</u>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2023**

<u>ASSETS</u>	<u>STOCK ROOM</u>	<u>SELF INSURED HEALTH</u>	<u>S125 FLEX SPENDING</u>	<u>LIABILITY CLAIMS</u>	<u>WORKER'S COMPENSATION</u>	<u>FUEL MANAGEMENT</u>	<u>PAYROLL LIABILITIES</u>	<u>TOTALS</u>
<b>CURRENT ASSETS</b>								
Cash and investments	\$ 14,247	\$ 13,439,152	\$ 644,063	\$ 51,896	\$ 2,140,835	\$ 740,342	\$ 154,915	\$ 17,185,450
Accounts receivable								
Customer	-	30,714	13,205	-	-	1,171	404,337	449,427
Inventories	90,113	-	-	-	-	45,147	-	135,260
Prepays	-	41	-	-	-	-	12,058	12,099
<b>RESTRICTED ASSETS</b>								
Cash	-	-	-	-	12,001	-	-	12,001
<b>TOTAL ASSETS</b>	<b><u>\$ 104,360</u></b>	<b><u>\$ 13,469,907</u></b>	<b><u>\$ 657,268</u></b>	<b><u>\$ 51,896</u></b>	<b><u>\$ 2,152,836</u></b>	<b><u>\$ 786,660</u></b>	<b><u>\$ 571,310</u></b>	<b><u>\$ 17,794,237</u></b>
<u>LIABILITIES AND NET POSITION</u>								
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 357	\$ 5,030,613	\$ -	\$ 619,587	\$ 1,065,500	\$ 19,804	\$ 195,312	\$ 6,931,173
Other	-	-	-	-	-	-	375,998	375,998
Unearned revenue - other	-	55,656	-	-	-	-	-	55,656
<b>TOTAL LIABILITIES</b>	<b><u>357</u></b>	<b><u>5,086,269</u></b>	<b><u>-</u></b>	<b><u>619,587</u></b>	<b><u>1,065,500</u></b>	<b><u>19,804</u></b>	<b><u>571,310</u></b>	<b><u>7,362,827</u></b>
<b>NET POSITION</b>								
Restricted for other	-	-	-	-	12,001	-	-	12,001
Unrestricted	104,003	8,383,638	657,268	(567,691)	1,075,335	766,856	-	10,419,409
<b>TOTAL NET POSITION</b>	<b><u>104,003</u></b>	<b><u>8,383,638</u></b>	<b><u>657,268</u></b>	<b><u>(567,691)</u></b>	<b><u>1,087,336</u></b>	<b><u>766,856</u></b>	<b><u>-</u></b>	<b><u>10,431,410</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 104,360</u></b>	<b><u>\$ 13,469,907</u></b>	<b><u>\$ 657,268</u></b>	<b><u>\$ 51,896</u></b>	<b><u>\$ 2,152,836</u></b>	<b><u>\$ 786,660</u></b>	<b><u>\$ 571,310</u></b>	<b><u>\$ 17,794,237</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	TOTALS
<b>OPERATING REVENUE</b>							
Interdepartmental sales	\$ (4,461)	\$ 11,273,873	\$ 400,614	\$ 136,600	\$ 440,317	\$ 187,225	\$ 12,434,168
Other revenue	-	611,400	24,501	-	36,295	-	672,196
<b>TOTAL OPERATING REVENUE</b>	<b>(4,461)</b>	<b>11,885,273</b>	<b>425,115</b>	<b>136,600</b>	<b>476,612</b>	<b>187,225</b>	<b>13,106,364</b>
<b>OPERATING EXPENSES</b>							
Plant and maintenance expenses:							
Salaries and wages	-	175,060	407,546	-	598,346	-	1,180,952
Supplies and expenses	-	3,480	-	-	-	201,687	205,167
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<b>-</b>	<b>178,540</b>	<b>407,546</b>	<b>-</b>	<b>598,346</b>	<b>201,687</b>	<b>1,386,119</b>
<b>GENERAL EXPENSES</b>							
Office supplies and other expenses	13,470	1,862	-	-	-	-	15,332
Outside services employed	-	36,207	-	-	-	11,590	47,797
Insurance expense	-	1,928,405	-	443,251	58,390	-	2,430,046
Employee benefits	-	14,748,079	-	-	-	-	14,748,079
<b>TOTAL GENERAL EXPENSES</b>	<b>13,470</b>	<b>16,714,553</b>	<b>-</b>	<b>443,251</b>	<b>58,390</b>	<b>11,590</b>	<b>17,241,254</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>13,470</b>	<b>16,893,093</b>	<b>407,546</b>	<b>443,251</b>	<b>656,736</b>	<b>213,277</b>	<b>18,627,373</b>
<b>OPERATING INCOME (LOSS)</b>	<b>(17,931)</b>	<b>(5,007,820)</b>	<b>17,569</b>	<b>(306,651)</b>	<b>(180,124)</b>	<b>(26,052)</b>	<b>(5,521,009)</b>
<b>NONOPERATING REVENUE (EXPENSES)</b>							
Interest income	-	541,534	20,863	-	-	26,897	589,294
Miscellaneous revenue	-	1,237	-	-	-	-	1,237
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<b>-</b>	<b>542,771</b>	<b>20,863</b>	<b>-</b>	<b>-</b>	<b>26,897</b>	<b>590,531</b>
<b>CHANGE IN NET POSITION</b>	<b>(17,931)</b>	<b>(4,465,049)</b>	<b>38,432</b>	<b>(306,651)</b>	<b>(180,124)</b>	<b>845</b>	<b>(4,930,478)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>	<b>121,934</b>	<b>12,848,687</b>	<b>618,836</b>	<b>(261,040)</b>	<b>1,267,460</b>	<b>766,011</b>	<b>15,361,888</b>
<b>NET POSITION - END OF YEAR</b>	<b>\$ 104,003</b>	<b>\$ 8,383,638</b>	<b>\$ 657,268</b>	<b>\$ (567,691)</b>	<b>\$ 1,087,336</b>	<b>\$ 766,856</b>	<b>\$ 10,431,410</b>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2023**

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	PAYROLL LIABILITIES	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ -	\$ 613,944	\$ 21,027	\$ -	\$ 36,295	\$ (1,171)	\$ -	\$ 670,095
Receipts from municipality	3,886	11,273,873	400,614	136,600	440,317	187,225	(248,205)	12,194,310
Payments to suppliers for goods and services	(18,072)	(1,724,022)	-	(222,307)	(58,248)	(238,620)	-	(2,261,269)
Payments for employees wages and benefits	-	(14,923,139)	(407,546)	-	(598,346)	-	-	(15,929,031)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>(14,186)</b>	<b>(4,759,344)</b>	<b>14,095</b>	<b>(85,707)</b>	<b>(179,982)</b>	<b>(52,566)</b>	<b>(248,205)</b>	<b>(5,325,895)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	-	541,534	20,863	-	-	26,897	-	589,294
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>(14,186)</b>	<b>(4,217,810)</b>	<b>34,958</b>	<b>(85,707)</b>	<b>(179,982)</b>	<b>(25,669)</b>	<b>(248,205)</b>	<b>(4,736,601)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>28,433</b>	<b>17,656,962</b>	<b>609,105</b>	<b>137,603</b>	<b>2,332,818</b>	<b>766,011</b>	<b>403,120</b>	<b>21,934,052</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 14,247</b>	<b>\$ 13,439,152</b>	<b>\$ 644,063</b>	<b>\$ 51,896</b>	<b>\$ 2,152,836</b>	<b>\$ 740,342</b>	<b>\$ 154,915</b>	<b>\$ 17,197,451</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Operating income (loss)	\$ (17,931)	\$ (5,007,820)	\$ 17,569	\$ (306,651)	\$ (180,124)	\$ (26,052)	\$ -	\$ (5,521,009)
Changes in assets and liabilities								
Decrease (increase) in receivables - customers	-	2,544	(3,474)	-	-	(1,171)	(74,598)	(76,699)
Decrease (increase) in inventories	3,745	-	-	-	-	(45,147)	-	(41,402)
(Increase) decrease in prepaid expenses	-	65	-	-	-	-	76	141
Increase (decrease) in accounts payable	-	245,867	-	220,944	142	19,804	(222,579)	264,178
Increase (increase) in other accrued expenses	-	-	-	-	-	-	48,896	48,896
Total adjustments	3,745	248,476	(3,474)	220,944	142	(26,514)	(248,205)	195,114
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ (14,186)</b>	<b>\$ (4,759,344)</b>	<b>\$ 14,095</b>	<b>\$ (85,707)</b>	<b>\$ (179,982)</b>	<b>\$ (52,566)</b>	<b>\$ (248,205)</b>	<b>\$ (5,325,895)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>								
Cash and investments	\$ 14,247	\$ 13,439,152	\$ 644,063	\$ 51,896	\$ 2,140,835	\$ 740,342	\$ 154,915	\$ 17,185,450
Restricted cash	-	-	-	-	12,001	-	-	12,001
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 14,247</b>	<b>\$ 13,439,152</b>	<b>\$ 644,063</b>	<b>\$ 51,896</b>	<b>\$ 2,152,836</b>	<b>\$ 740,342</b>	<b>\$ 154,915</b>	<b>\$ 17,197,451</b>

**CITY OF LA CROSSE, WISCONSIN**  
**OTHER REPORT**



**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL  
STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS***

To the Common Council  
City of La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse (the "City") as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 29, 2024.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weakness. Therefore, material weaknesses, or significant deficiencies may exist that have not been identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
July 29, 2024