

CITY OF LA CROSSE, WISCONSIN

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2022

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, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of La Crosse'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 of La Crosse, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) 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 of La Crosse 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 of La Crosse'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 of La Crosse'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 of La Crosse'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 of La Crosse'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 of La Crosse'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 12, 2023 on our consideration of the City of La Crosse'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 of La Crosse's internal control over financial reporting and compliance.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
July 12, 2023

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, 2022

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, 2022. 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

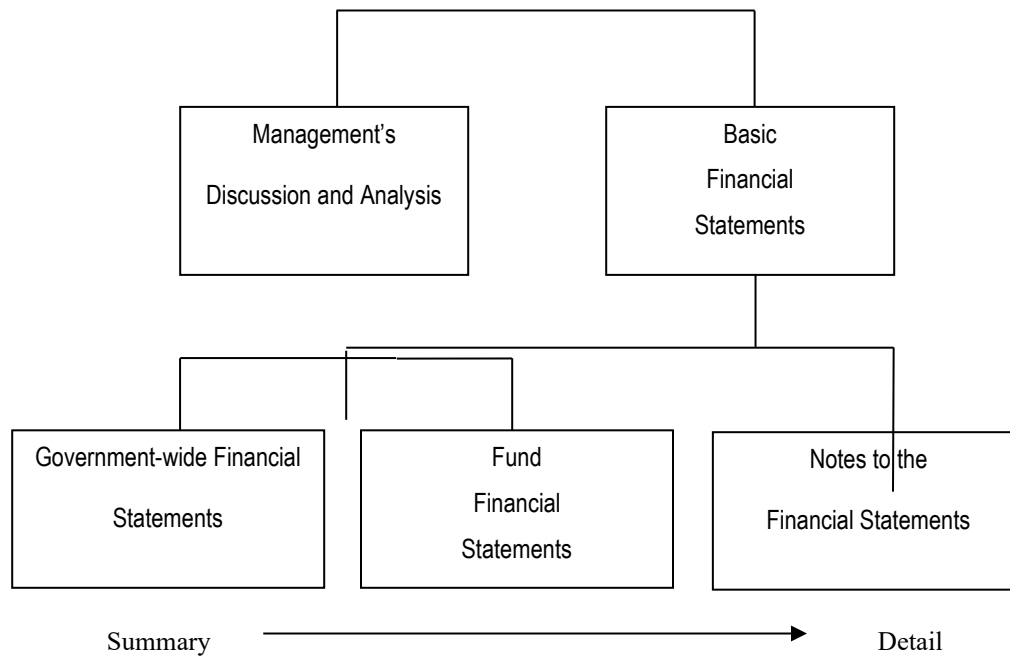
When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses can be considered the City's operating results. The City's net position as measured in the Statement of Net 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, 2022 by \$522,609,695 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$38,385,458.
- As of December 31, 2022, the City of La Crosse's governmental funds reported combined ending fund balances of \$96,723,103 an increase of \$3,596,636 in comparison with the prior year. As of December 31, 2022, the unassigned fund balance for the general fund was \$15,851,525 or approximately 27.38% of total general fund expenditures.
- The City of La Crosse's total general obligation debt increased by \$3,980,737 or 3.00% during 2022. This increase is attributable to the planning and financing of future capital improvement projects. The City funded \$14,475,000 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 \$522,609,695 as of December 31, 2022. The City's net position increased by \$38,385,458 for the fiscal year ended December 31, 2022. However, the largest portion of the City's net position (84.05%) 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	
	2022	2021	2022	2021	2022	2021
Assets, net of Capital Assets	\$ 233,003	\$ 217,735	\$ 26,169	\$ 94,764	\$ 259,172	\$ 312,499
Capital Assets not Depreciated	114,080	102,313	91,561	55,013	205,641	157,326
Capital Assets, net of Depreciation	217,817	210,923	157,120	157,712	374,937	368,635
TOTAL ASSETS	\$ 564,900	\$ 530,971	\$ 274,850	\$ 307,489	\$ 839,750	\$ 838,460
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	49,145	34,418	4,146	3,016	53,291	37,434
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 614,045	\$ 565,389	\$ 278,996	\$ 310,505	\$ 893,041	\$ 875,894
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET						
LIABILITIES						
TOTAL LIABILITIES	\$ 196,650	\$ 184,987	\$ 50,743	\$ 97,870	\$ 247,393	\$ 282,857
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Tax Roll	\$ 49,589	\$ 51,541	\$ 1,996	\$ 144	\$ 51,585	\$ 51,685
Wisconsin Retirement System Pension/OPEB	65,826	52,375	5,627	4,753	71,453	57,128
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 115,415	\$ 103,916	\$ 7,623	\$ 4,897	\$ 123,038	\$ 108,813
NET POSITION						
Net Investment in Capital Assets	\$ 233,077	\$ 217,824	\$ 206,172	\$ 185,387	\$ 439,249	\$ 403,211
Restricted For:						
Special Revenue	1,224	606	-	-	1,224	606
Debt Service	6,986	16,269	-	-	6,986	16,269
Capital Projects	43,116	41,012	2,926	2,948	46,042	43,960
Other Activities	23,023	17,897	1,822	1,432	24,845	19,329
Unrestricted	(5,446)	(17,122)	9,710	17,971	4,264	849
TOTAL NET POSITION	\$ 301,980	\$ 276,486	\$ 220,630	\$ 207,738	\$ 522,610	\$ 484,224

An additional portion of the City's net position of \$79,097,353 (15.14%) represents resources that are subject to external restrictions on how they may be used.

The City's total net position increased \$38,385,458 during the year. This increase was comprised of an increase in governmental type activities of \$25,493,902 and an increase in the business type activities of \$12,891,556 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 \$25,493,902. Key elements of this increase are:

- Charges for Services increased over \$5,000,000 and accounted for a quarter of the growth in revenue from 2022 versus 2021. There was also an increase in tax revenue of over \$3,500,000. Net Investment in Capital Assets increased by over \$15,000,000 due to increased investment in capital assets.
- Departments were required to keep 2022 budgets at 2021 levels unless increases were justified and approved by the Council.
- Actual expenditures for 2022 increased over \$6,300,000 compared to 2021, while the revenue was over \$4,800,000 higher when compared to 2021.
- Plan design changes, insurance co-pays and a change in health insurance networks have had a positive impact on the City's self-insured health fund and its fund balance which allows for no increase in the funding for internal health insurance premiums even though the national trend continues to rise.

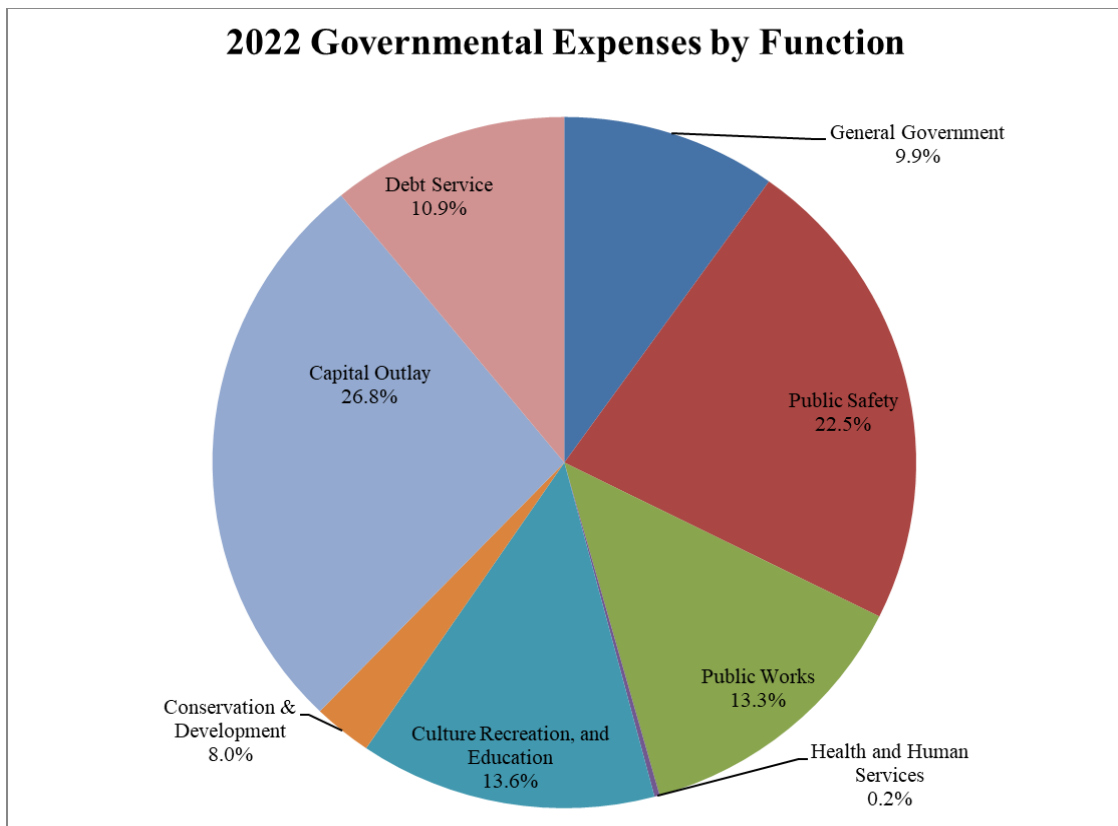
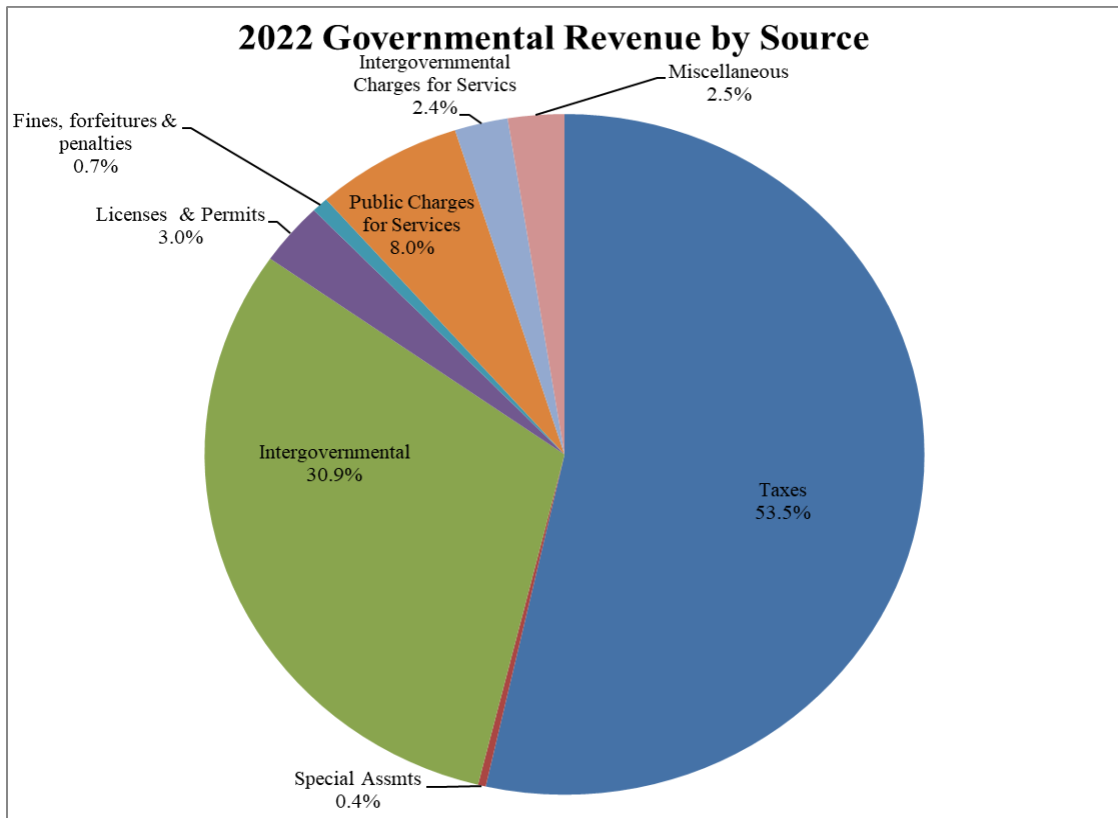
The following table represents the City's summarized operating results and their impact on net assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 16,288	\$ 10,702	\$ 24,657	\$ 23,809	\$ 40,945	\$ 34,511
Grants & Contributions	19,652	23,645	7,468	2,943	27,120	26,588
General Revenues:						
Taxes	56,445	52,805	-	-	56,445	52,805
State Shared Revenue	13,601	13,773	-	-	13,601	13,773
Interest and investment income	(1,664)	456	457	296	(1,207)	752
Miscellaneous	4,733	2,867	20	133	4,753	3,000
Total Revenues	<u>\$ 109,055</u>	<u>\$ 104,248</u>	<u>\$ 32,602</u>	<u>\$ 27,181</u>	<u>\$ 141,657</u>	<u>\$ 131,429</u>
Expenses:						
General Government	\$ 13,124	\$ 12,088	\$ -	\$ -	\$ 13,124	\$ 12,088
Public Safety	23,346	22,744	-	-	23,346	22,744
Public Works	23,736	20,762	-	-	23,736	20,762
Health and Human Services	197	190	-	-	197	190
Culture, Recreation and Education	16,953	14,767	-	-	16,953	14,767
Conservation & Development	3,464	3,910	-	-	3,464	3,910
Principal, Interest & Fiscal Charges	2,509	2,471	-	-	2,509	2,471
Airport	-	-	4,021	4,147	4,021	4,147
Parking	-	-	3,302	3,282	3,302	3,282
Water	-	-	4,344	4,246	4,344	4,246
Sanitary Sewer	-	-	6,683	7,360	6,683	7,360
Storm Water	-	-	1,513	1,091	1,513	1,091
Other Business-type Activities	-	-	79	68	79	68
Total Expenses	<u>\$ 83,329</u>	<u>\$ 76,932</u>	<u>\$ 19,942</u>	<u>\$ 20,194</u>	<u>\$ 103,271</u>	<u>\$ 97,126</u>
Change in Net Position before Transfers	\$ 25,726	\$ 27,316	\$ 12,660	\$ 6,987	\$ 38,386	\$ 34,303
Transfers	(232)	(53)	232	53	-	-
Change in Net Position	\$ 25,494	\$ 27,263	\$ 12,892	\$ 7,040	\$ 38,386	\$ 34,303
Net Position, beginning of year	276,486	249,223	207,738	200,698	484,224	449,921
Prior Period Adjustment	-	-	-	-	-	-
Equity Transfers	-	-	-	-	-	-
Net Position, end of year	<u>\$ 301,980</u>	<u>\$ 276,486</u>	<u>\$ 220,630</u>	<u>\$ 207,738</u>	<u>\$ 522,610</u>	<u>\$ 484,224</u>

Governmental Activities expenditures were higher for 2022 compared to 2021 by over \$6,300,000, 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 2022.



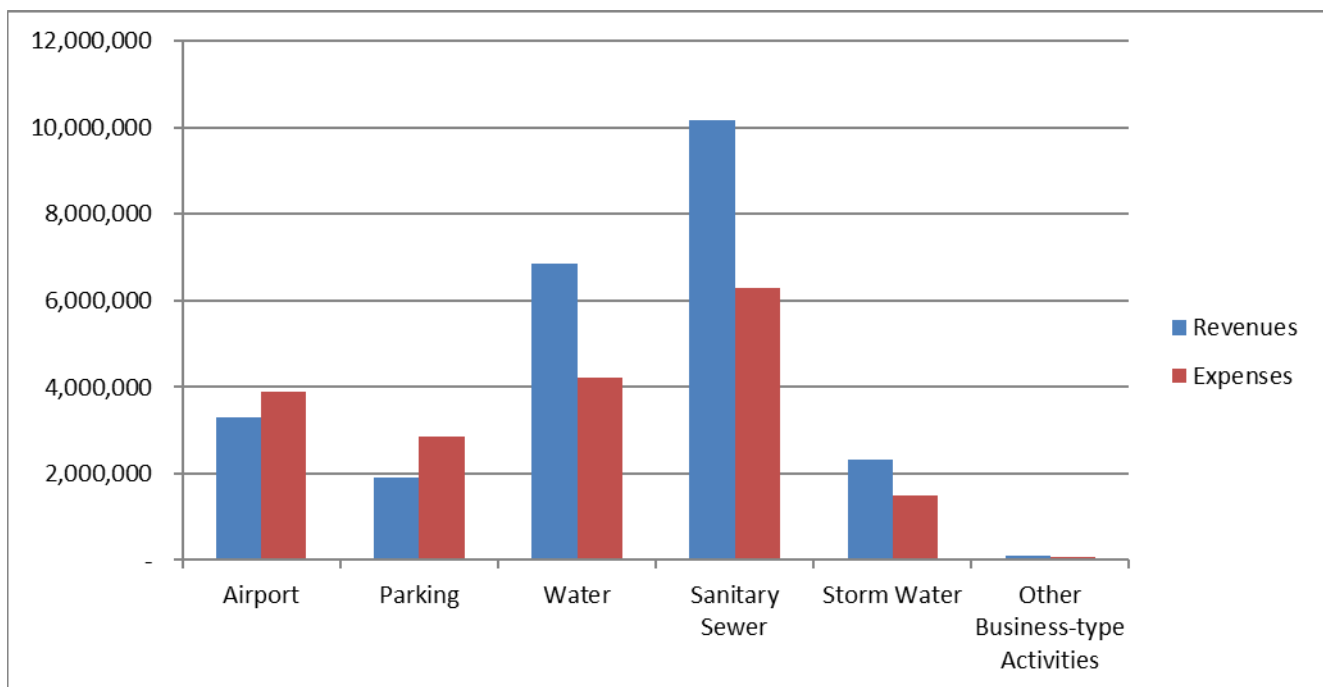
Business-Type Activities

Business-type activities increased the City’s net position by \$12,891,556. 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 2023.
- 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 2022 for the City’s Business-Type Activities.

City of La Crosse, Wisconsin – 2022 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, 2022, the City of La Crosse's governmental funds reported combined ending fund balances of \$96,723,103. Of this amount, \$19,346,222 is attributable to the General Fund balance and is designated as follows: \$3,494,697 or approximately 18.06% is designated as Nonspendable; \$15,851,525 or approximately 81.94% is designated as Unassigned.

This Unassigned fund balance represents approximately 27.38% of total general fund expenditures for 2022. The total general fund balance decreased by \$167,607 in fiscal year 2022. Actual expenditures failed to meet final amended budgeted expenditures by approximately \$1,560,274 (2.62%). Actual revenue sources failed to meet the final amended budgeted revenues in the general fund by (\$1,727,881) (-2.91%).

The actual revenues were lower than budgeted primarily due to:

- There was a loss in FMV of investments of \$3,174,665.
- The La Crosse Center's revenue was outperformed budget by \$450,000 due to increased activity and increased room tax collected.
- Building related permits exceeded budget figures by over \$500,000.

The major budget variances in the expenditure category are:

- Public Safety underspent its budget by \$186,037.
- Public Works underspent its budget by \$276,117.
- General Government underspent its collective departmental budgets by \$1,305,117.
- Capital outlay underspent its budget by \$61,527.
- Culture, recreation, and education exceeded its collective budget by \$377,172.

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	
	2022	2021	2022	2021
Airport	\$ 76,123	\$ 74,200	\$ 1,923	\$ 3,982
Parking	34,551	34,833	(282)	(1,086)
Water Utility	38,107	36,122	1,985	4,493
Sewer Utility	46,265	40,807	5,458	3,173
Storm Water Utility	22,590	18,448	4,142	3,681
Sanitary Sewer District	663	646	17	26
Total	<u>\$ 218,299</u>	<u>\$ 205,056</u>	<u>\$ 13,243</u>	<u>\$ 14,269</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 less than budgeted revenues by \$1,727,881 with a primary driver of that increase driven by an unbudgeted loss on the fair market value of the City’s investments. Actual expenditures were less than budgeted expenditures by \$1,560,274.

Revenues were less than budgetary estimates and expenditures also came in under budget; the City’s General Fund “Unassigned” balance decreased by \$217,208. The City’s General Fund-fund balance is 33.42% of 2022 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, 2022, is \$439,248,728 (net of accumulated depreciation), an increase of \$36,037,789 (8.94%). 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 \$15,253,215 (7.00%) increase for governmental activities and a \$20,784,574 (11.21%) increase for business-type activities.

The following capital improvement projects for 2022 are contained and financed in the City’s 2022-2026 five-year Capital Improvement Program budget:

- Airport facility and runway upgrades – approximately \$6,924,000.
- Capital Equipment purchases for various departments - approximately \$4,837,973.
- Various Park projects - approximately \$3,968,000.
- Sanitary Sewer infrastructure improvement projects - approximately \$5,784,000.
- Storm water improvement projects - approximately \$2,542,000.
- Water improvement projects – approximately \$3,146,000
- Various street and streetscaping improvement projects - approximately \$23,976,000. Major projects include the reconstruction of 5 roads (South Ave., La Crosse St., Causeway Blvd., Green Bay St., and Kramer St.)
- Various Economic Development and Housing projects – approximately \$854,000.
- Various City Facilities Improvement projects – approximately \$6,180,000. Major projects including funding towards the construction of a new fire station \$3,800,000, funding towards a remodel of the Police Department \$1,300,000, and the renovation of a park building \$500,000.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Land Improvements	\$ 13,029	\$ 13,029	\$ 7,823	\$ 7,822	\$ 20,852	\$ 20,851
Buildings and Improvements	90,777	89,517	45,029	44,938	135,806	134,455
Machinery and Equipment	70,761	67,308	18,233	17,133	88,994	84,441
Infrastructure/systems	172,768	164,585	177,021	173,459	349,789	338,044
Construction in Progress	101,051	89,284	87,725	51,176	188,776	140,460
Less: Accumulated Depreciation	(116,488)	(110,487)	(87,150)	(81,803)	(203,638)	(192,290)
Total	\$331,898	\$313,236	\$248,681	\$212,725	\$580,579	\$525,961

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 2022 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$136,604,422 entirely backed by the full faith and credit of the government. This represents an increase of \$3,980,737 compared to the total general obligation debt outstanding as of the end of fiscal year 2021. This increase is due primarily to scheduled borrowing for equipment and capital projects.

In 2022, the City sold four new debt instruments. Issues A and B were dated August 11, 2022. Issue A was for 15-year Corporate Purpose Bonds for \$11,710,000 at a net interest rate of 3.300%. Issue B was for 10-year Promissory Notes for \$2,765,000 at a net interest rate of 2.855%. Series A and B funded a portion of the City's \$59,879,075 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.

The third issue was a 5-year Note for \$470,200 at a net interest rate of 2.500% dated April 1, 2022. This issue was to fund floodplain and energy efficiency projects.

The fourth debt issue was a 5-year Note for \$650,000 at a net interest rate of 3.000% dated April 1, 2022. This issue was to fund neighborhood improvement projects.

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 \$256,563,940 and its outstanding debt subject to State statutory limit as of December 31, 2022 is \$136,604,422 or approximately 53.24% of the statutory limit. After calculating the amounts available in the Debt Service Fund of \$18,086,098 which results in a net margin of indebtedness of \$138,045,616.

State Statutory Debt Limit

	2022	2021
State Debt Limit (5% of equalized value)	\$ 256,563,940	\$ 233,628,745
Applicable long-term debt	(136,604,422)	(132,623,685)
Amount available in debt service fund	18,086,098	17,269,070
Margin of Indebtness	138,045,616	118,274,130

City Policy Debt Limit

	2022	2021
City Debt Limit (75% of State Limit)	\$ 192,422,955	\$ 175,221,559
Applicable long-term debt	(136,604,422)	(132,623,685)
Amount available in debt service fund	18,086,098	17,269,070
Margin of Indebtness	73,904,631	59,866,944

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

- The 2022 unadjusted unemployment rate for the La Crosse MSA was 2.5% compared to the State average of 2.9% and compared to the National average of 3.6%.
- Inflationary trends in the region are comparable to national indices.
- There were 1066 building permits issued in 2022 with a value of \$111,542,890 as compared to 876 building permits issued in 2021 with a value of \$156,065,859 and 970 permits issued in 2020 with a value of \$59,001,464.

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, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash and investments	\$ 111,810,193	\$ 19,710,028	\$ 131,520,221	\$ 4,718,749
Receivables				
Taxes	48,522,093	646,341	49,168,434	-
Accounts and other	4,902,921	5,540,137	10,443,058	-
Special assessments	604,650	4,528	609,178	-
Loans	12,881,288	-	12,881,288	350,000
Internal balances	7,360,518	(7,360,518)	-	-
Due from other governments	3,183,265	247	3,183,512	-
Inventories	362,225	531,224	893,449	-
Prepays	99,017	495,259	594,276	-
Leases receivable	1,589,419	1,849,540	3,438,959	-
Restricted assets				
Cash and investments	18,663,902	2,926,287	21,590,189	-
Other assets	-	3,375	3,375	-
Wisconsin Retirement System net pension	23,023,060	1,822,029	24,845,089	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	114,079,893	91,561,254	205,641,147	12,425,526
Capital assets being depreciated	217,817,114	157,119,919	374,937,033	-
TOTAL ASSETS	564,899,558	274,849,650	839,749,208	17,494,275
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System pension	44,959,362	3,558,053	48,517,415	-
Wisconsin Retirement System LRLIF	2,010,012	347,115	2,357,127	-
OPEB healthcare	2,175,956	241,123	2,417,079	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	49,145,330	4,146,291	53,291,621	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 614,044,888	\$ 278,995,941	\$ 893,040,829	\$ 17,494,275
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 11,296,813	\$ 3,211,027	\$ 14,507,840	\$ -
Accrued liabilities				
Payroll	1,700,697	178,093	1,878,790	-
Interest	888,526	198,985	1,087,511	-
Other	421,658	133	421,791	-
Due to other governments	1,102,231	-	1,102,231	-
Deposit payable	300,782	-	300,782	-
Unearned revenue - other	19,129,077	-	19,129,077	-
Current portion of long-term obligations	16,463,976	2,069,731	18,533,707	-
Noncurrent portion of long-term obligations	145,346,207	45,085,404	190,431,611	6,890,000
TOTAL LIABILITIES	196,649,967	50,743,373	247,393,340	6,890,000
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - tax roll	47,999,352	146,030	48,145,382	-
Leases	1,589,420	1,849,540	3,438,960	-
Wisconsin Retirement System pension	54,212,827	4,290,366	58,503,193	-
Wisconsin Retirement System LRLIF	807,294	139,413	946,707	-
OPEB healthcare	10,806,099	1,197,453	12,003,552	-
TOTAL DEFERRED INFLOWS OF RESOURCES	115,414,992	7,622,802	123,037,794	-
NET POSITION				
Net investment in capital assets	233,077,009	206,171,719	439,248,728	5,535,526
Restricted for				
Special revenue	1,224,070	-	1,224,070	-
Debt service	6,986,098	-	6,986,098	-
Capital projects	43,115,809	2,926,287	46,042,096	-
Other activities	23,023,060	1,822,029	24,845,089	-
Unrestricted	(5,446,117)	9,709,731	4,263,614	5,068,749
TOTAL NET POSITION	301,979,929	220,629,766	522,609,695	10,604,275
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 614,044,888	\$ 278,995,941	\$ 893,040,829	\$ 17,494,275

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2022

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	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	\$ 13,124,160	\$ 2,204,052	\$ 3,497,042	\$ -	\$ (7,423,066)		\$ (7,423,066)	
Public safety	23,345,790	2,083,753	1,884,626	-	(19,377,411)		(19,377,411)	
Public works	23,736,384	1,854,494	11,922,442	-	(9,959,448)		(9,959,448)	
Health and human services	196,916	-	-	-	(196,916)		(196,916)	
Culture, recreation and education	16,952,994	5,966,946	552,862	-	(10,433,186)		(10,433,186)	
Conservation and development	3,464,060	4,178,855	1,794,586	-	2,509,381		2,509,381	
Interest and fiscal charges	2,508,869	-	-	-	(2,508,869)		(2,508,869)	
TOTAL GOVERNMENTAL ACTIVITIES	83,329,173	16,288,100	19,651,558	-	(47,389,515)		(47,389,515)	
BUSINESS-TYPE ACTIVITIES								
Airport	4,021,392	3,311,740	-	2,456,469		\$ 1,746,817	1,746,817	
Parking	3,301,550	1,902,486	-	-		(1,399,064)	(1,399,064)	
Water	4,344,343	6,865,716	-	-		2,521,373	2,521,373	
Sewer	6,682,560	10,168,100	-	1,750,000		5,235,540	5,235,540	
Storm	1,513,289	2,317,254	-	3,261,965		4,065,930	4,065,930	
Sanitary Sewer District	78,657	91,215	-	-		12,558	12,558	
TOTAL BUSINESS-TYPE ACTIVITIES	19,941,791	24,656,511	-	7,468,434		12,183,154	12,183,154	
TOTAL PRIMARY GOVERNMENT	\$ 103,270,964	\$ 40,944,611	\$ 19,651,558	\$ 7,468,434	(47,389,515)	12,183,154	(35,206,361)	
COMPONENT UNIT								
Redevelopment Authority	\$ 193,013	\$ -	\$ 56,385	\$ -				\$ (136,628)
GENERAL REVENUE								
Taxes								
Property taxes					51,369,491	-	51,369,491	-
Other taxes					5,075,917	-	5,075,917	-
Intergovernmental revenues not restricted to specific programs					13,600,921	-	13,600,921	-
Interest and investment income					(1,663,818)	456,629	(1,207,189)	56,593
Miscellaneous					4,733,054	19,625	4,752,679	29,000
TRANSFERS					(232,148)	232,148	-	-
TOTAL GENERAL REVENUE AND TRANSFERS					72,883,417	708,402	73,591,819	85,593
CHANGE IN NET POSITION					25,493,902	12,891,556	38,385,458	(51,035)
NET POSITION - BEGINNING OF YEAR					276,486,027	207,738,210	484,224,237	10,655,310
NET POSITION - END OF YEAR					\$ 301,979,929	\$ 220,629,766	\$ 522,609,695	\$ 10,604,275

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, 2022

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>FEDERAL GRANTS</u>	<u>HUD GRANTS</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 16,338,707	\$ 18,569,932	\$ 1,265,115	\$ 6,992,243	\$ 65,374,046	\$ 108,540,043
Receivables						
Taxes	37,595,003	-	-	-	10,732,060	48,327,063
Accounts and other	741,992	84,600	2,822,126	231,306	653,975	4,533,999
Special assessments	-	-	-	-	604,650	604,650
Loan	-	-	10,150,347	1,675,000	1,055,941	12,881,288
Due from other funds	2,022,490	-	-	-	195,030	2,217,520
Due from other governments	14,679	13,071	205,285	-	2,950,230	3,183,265
Inventories	32,770	-	-	-	235,597	268,367
Prepays	78,349	-	384	-	8,044	86,777
Leases receivable	16,377	-	-	-	1,573,042	1,589,419
Advances to other funds	3,047,626	-	-	11,100,000	127,802	14,275,428
TOTAL ASSETS	\$ 59,887,993	\$ 18,667,603	\$ 14,443,257	\$ 19,998,549	\$ 83,510,417	\$ 196,507,819
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
LIABILITIES						
Accounts payable	\$ 1,299,944	\$ 83,572	\$ 77,650	\$ 6,145	\$ 3,162,507	\$ 4,629,818
Accrued expenses						
Payroll	1,553,119	-	-	-	147,578	1,700,697
Other	94,556	-	-	-	-	94,556
Due to other funds	-	413,413	-	-	794,794	1,208,207
Due to other governments	63	-	-	-	1,102,168	1,102,231
Deposit payable	234,770	-	4,290	-	61,722	300,782
Unearned revenue - other	83,891	18,087,313	12,970,168	1,906,306	2,122,583	35,170,261
Advances from other funds	-	-	250,000	-	5,148,520	5,398,520
TOTAL LIABILITIES	3,266,343	18,584,298	13,302,108	1,912,451	12,539,872	49,605,072
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue - tax roll	37,259,051	-	-	-	10,740,301	47,999,352
Unavailable revenue - special assessments	-	-	-	-	590,872	590,872
Leases	16,377	-	-	-	1,573,043	1,589,420
TOTAL DEFERRED INFLOWS OF RESOURCES	37,275,428	-	-	-	12,904,216	50,179,644
FUND BALANCES						
Nonspendable	3,494,697	-	384	11,100,000	371,443	14,966,524
Restricted	-	83,305	1,140,765	6,986,098	43,115,809	51,325,977
Committed	-	-	-	-	15,021,469	15,021,469
Unassigned	15,851,525	-	-	-	(442,392)	15,409,133
TOTAL FUND BALANCES	19,346,222	83,305	1,141,149	18,086,098	58,066,329	96,723,103
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 59,887,993	\$ 18,667,603	\$ 14,443,257	\$ 19,998,549	\$ 83,510,417	\$ 196,507,819

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, 2022

Fund balances - total governmental funds		\$ 96,723,103
<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	\$ 448,384,660	
Governmental accumulated depreciation	<u>(116,487,653)</u>	331,897,007
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		16,685,143
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.		
		14,972,313
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.		
		(8,630,143)
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		13,031,215
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	\$ (119,791,209)	
Premium	(3,647,899)	
Accrued interest	(888,526)	
Vested employee benefits	(2,227,546)	
Wisconsin Retirement System OPEB liability	(5,854,140)	
Net OPEB liability	<u>(30,289,389)</u>	<u>(162,698,709)</u>
TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 301,979,929</u>

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, 2022

	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE						
Taxes	\$ 39,739,519	\$ -	\$ -	\$ 1,571,381	\$ 15,134,508	\$ 56,445,408
Special assessment	-	-	-	-	371,063	371,063
Intergovernmental	17,021,005	3,022,022	1,367,778	-	11,166,595	32,577,400
Licenses and permits	2,238,860	-	-	-	901,522	3,140,382
Fines, forfeits, and penalties	1,131	-	-	-	780,788	781,919
Public charges for services	1,614,161	-	998,184	-	4,352,809	6,965,154
Intergovernmental charges for services	2,028,506	-	-	-	494,288	2,522,794
Miscellaneous	3,676,104	44,229	58,628	318,772	2,055,041	6,152,774
Change in fair value of investments	(3,174,665)	-	-	-	(309,231)	(3,483,896)
TOTAL REVENUE	<u>63,144,621</u>	<u>3,066,251</u>	<u>2,424,590</u>	<u>1,890,153</u>	<u>34,947,383</u>	<u>105,472,998</u>
EXPENDITURES						
Current						
General government	8,546,264	2,708,619	-	52,127	561,337	11,868,347
Public safety	26,408,664	76,899	-	-	505,589	26,991,152
Public works	9,771,582	-	-	-	6,187,478	15,959,060
Health and human services	108,938	-	-	-	181,691	290,629
Culture, recreation, and education	12,358,493	-	-	-	4,037,093	16,395,586
Conservation and development	488,402	8,180	2,089,460	-	660,926	3,246,968
Debt service						
Principal	-	-	-	9,670,641	834,292	10,504,933
Interest	-	-	-	2,210,636	171,356	2,381,992
Other	-	-	-	253,124	-	253,124
Capital outlay	210,673	110,373	-	-	31,924,231	32,245,277
TOTAL EXPENDITURES	<u>57,893,016</u>	<u>2,904,071</u>	<u>2,089,460</u>	<u>12,186,528</u>	<u>45,063,993</u>	<u>120,137,068</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>5,251,605</u>	<u>162,180</u>	<u>335,130</u>	<u>(10,296,375)</u>	<u>(10,116,610)</u>	<u>(14,664,070)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	2,667,698	-	-	10,370,858	3,962,340	17,000,896
Operating transfers (out)	(8,235,583)	-	-	-	(8,997,461)	(17,233,044)
Sale of capital assets	148,673	-	-	157,863	854,311	1,160,847
Issuance of long-term debt	-	-	200,000	72,804	16,547,325	16,820,129
Premium on long-term debt	-	-	-	511,878	-	511,878
TOTAL OTHER FINANCING (USES) SOURCES	<u>(5,419,212)</u>	<u>-</u>	<u>200,000</u>	<u>11,113,403</u>	<u>12,366,515</u>	<u>18,260,706</u>
NET CHANGE IN FUND BALANCE	<u>(167,607)</u>	<u>162,180</u>	<u>535,130</u>	<u>817,028</u>	<u>2,249,905</u>	<u>3,596,636</u>
FUND BALANCE - BEGINNING OF YEAR	<u>19,513,829</u>	<u>(78,875)</u>	<u>606,019</u>	<u>17,269,070</u>	<u>55,816,424</u>	<u>93,126,467</u>
FUND BALANCE - END OF YEAR	<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>

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, 2022

Net change in fund balances - total governmental funds		\$ 3,596,636
<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	\$ 32,245,277	
Less noncapitalized outlay	(4,949,347)	
Depreciation expense reported in the statement of activities	(7,502,366)	
Less cost of capital assets disposed	<u>(1,132,514)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		18,661,050
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.		
		(16,820,129)
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 increased by:		(67,938)
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:		
		2,421,378
Wisconsin Retirement System pension asset, deferred outflows of resources, and deferred inflows of resources changes:		
		5,270,885
Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes:		
		(616,859)
Other post-employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes:		
		5,125,088
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:		10,504,933
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:		(177,356)
Net change due to internal services funds incorporated into the statement of activities:	\$ (2,546,996)	
Transfers from business-type funds for internal service fund activity:	<u>351,485</u>	(2,195,511)
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	\$ 2,209,973	
The amount of interest and other debt costs accrued during the current period	<u>(2,418,248)</u>	
Interest paid is less than interest accrued by:		<u>(208,275)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 25,493,902</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2022

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	BUSINESS-TYPE ACTIVITIES						NONMAJOR SANITARY DISTRICT	TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM			INTERNAL SERVICE	
ASSETS									
CURRENT ASSETS									
Cash and investments	\$ 5,112,525	\$ 2,752,223	\$ 72,101	\$ 8,862,624	\$ 2,610,046	\$ 300,509	\$ 19,710,028	\$ 21,916,418	
Accounts receivable								-	
Customer	201,432	842,802	2,040,020	1,382,381	881,747	67,163	5,415,545	368,922	
Other	-	4,244	44,750	58,643	16,955	-	124,592	-	
Taxes	-	146,030	185,329	241,075	73,907	-	646,341	-	
Inventories	8,289	-	6	522,929	-	-	531,224	93,858	
Prepays	492,852	422	771	884	330	-	495,259	12,240	
Restricted cash									
Cash	823,629	-	1,908,626	136,655	57,377	-	2,926,287	17,634	
TOTAL CURRENT ASSETS	<u>6,638,727</u>	<u>3,745,721</u>	<u>4,251,603</u>	<u>11,205,191</u>	<u>3,640,362</u>	<u>367,672</u>	<u>29,849,276</u>	<u>22,409,072</u>	
NONCURRENT ASSETS									
Capital assets (net of accumulated depreciation)									
Capital assets not being depreciated	32,330,792	3,774,886	44,613,416	1,641,314	9,200,846	-	91,561,254	-	
Capital assets being depreciated	40,627,463	40,387,442	36,587,382	29,390,328	9,831,981	295,323	157,119,919	-	
NET CAPITAL ASSETS	<u>72,958,255</u>	<u>44,162,328</u>	<u>81,200,798</u>	<u>31,031,642</u>	<u>19,032,827</u>	<u>295,323</u>	<u>248,681,173</u>	<u>-</u>	
Other assets									
Special assessments receivable	-	-	-	4,528	-	-	4,528	-	
Wisconsin Retirement System net pension	374,246	268,841	562,946	442,475	173,521	-	1,822,029	-	
Other property	-	-	-	3,375	-	-	3,375	-	
Leases receivable	1,849,540	-	-	-	-	-	1,849,540	-	
Advances to other funds	-	1,000,000	20,728	202,364	-	-	1,223,092	-	
TOTAL OTHER ASSETS	<u>2,223,786</u>	<u>1,268,841</u>	<u>583,674</u>	<u>652,989</u>	<u>173,521</u>	<u>-</u>	<u>4,902,811</u>	<u>-</u>	
TOTAL NONCURRENT ASSETS	<u>75,182,041</u>	<u>45,431,169</u>	<u>81,784,472</u>	<u>31,684,631</u>	<u>19,206,348</u>	<u>295,323</u>	<u>253,583,984</u>	<u>-</u>	
TOTAL ASSETS	<u>81,820,768</u>	<u>49,176,890</u>	<u>86,036,075</u>	<u>42,889,822</u>	<u>22,846,710</u>	<u>662,995</u>	<u>283,433,260</u>	<u>22,409,072</u>	
DEFERRED OUTFLOWS OF RESOURCES									
Wisconsin Retirement System pension	730,827	524,991	1,099,320	864,064	338,851	-	3,558,053	-	
Wisconsin Retirement System LRLIF	13,587	36,521	143,479	97,278	56,250	-	347,115	-	
OPEB healthcare	19,942	42,095	48,603	130,483	-	-	241,123	-	
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>764,356</u>	<u>603,607</u>	<u>1,291,402</u>	<u>1,091,825</u>	<u>395,101</u>	<u>-</u>	<u>4,146,291</u>	<u>-</u>	
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 82,585,124</u>	<u>\$ 49,780,497</u>	<u>\$ 87,327,477</u>	<u>\$ 43,981,647</u>	<u>\$ 23,241,811</u>	<u>\$ 662,995</u>	<u>\$ 287,579,551</u>	<u>\$ 22,409,072</u>	

(Continued on page 27)

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS - Continued
DECEMBER 31, 2022

<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	
LIABILITIES									
CURRENT LIABILITIES									
Accounts payable	\$ 219,522	\$ 119,682	\$ 2,587,210	\$ 239,496	\$ 45,117	\$ -	\$ 3,211,027	\$ 6,666,995	
Accrued liabilities								-	
Payroll	41,495	29,377	43,398	51,451	12,372	-	178,093	-	
Interest	26,256	106,058	66,671	-	-	-	198,985	-	
Other	-	-	-	-	-	133	133	327,102	
Due to other funds	-	-	-	814,283	-	-	814,283	-	
Unearned revenue - other	-	-	-	-	-	-	-	53,087	
Current portion of long-term obligations	566,329	775,758	304,463	423,181	-	-	2,069,731	-	
TOTAL CURRENT LIABILITIES	853,602	1,030,875	3,001,742	1,528,411	57,489	133	6,472,252	7,047,184	
NONCURRENT LIABILITIES									
Long-term obligations	2,772,777	13,195,602	26,335,898	2,617,299	163,828	-	45,085,404	-	
Advances from other funds	-	-	10,100,000	-	-	-	10,100,000	-	
TOTAL NONCURRENT LIABILITIES	2,772,777	13,195,602	36,435,898	2,617,299	163,828	-	55,185,404	-	
TOTAL LIABILITIES	3,626,379	14,226,477	39,437,640	4,145,710	221,317	133	61,657,656	7,047,184	
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - tax roll	-	146,030	-	-	-	-	146,030	-	
Leases	1,849,540	-	-	-	-	-	1,849,540	-	
Wisconsin Retirement System pension	881,245	633,044	1,325,580	1,041,904	408,593	-	4,290,366	-	
Wisconsin Retirement System LRLIF	5,457	14,668	57,626	39,070	22,592	-	139,413	-	
OPEB healthcare	99,035	209,049	241,370	647,999	-	-	1,197,453	-	
TOTAL DEFERRED INFLOWS OF RESOURCES	2,835,277	1,002,791	1,624,576	1,728,973	431,185	-	7,622,802	-	
NET POSITION									
Net investment in capital assets	69,963,400	30,895,452	55,771,193	30,213,524	19,032,827	295,323	206,171,719	-	
Restricted for other	1,197,875	268,841	2,471,572	579,130	230,898	-	4,748,316	17,634	
Unrestricted	4,962,193	3,386,936	(11,977,504)	7,314,310	3,325,584	367,539	7,379,058	15,344,254	
TOTAL NET POSITION	76,123,468	34,551,229	46,265,261	38,106,964	22,589,309	662,862	218,299,093	15,361,888	
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 82,585,124	\$ 49,780,497	\$ 87,327,477	\$ 43,981,647	\$ 23,241,811	\$ 662,995	\$ 287,579,551	\$ 22,409,072	
							\$ 218,299,093		
							2,330,673		
							\$ 220,629,766		

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, 2022

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	INTERNAL SERVICE	
OPERATING REVENUE								
Charges for services	\$ 3,290,629	\$ 1,876,063	\$ 10,035,715	\$ 6,631,743	\$ 2,317,115	\$ 91,215	\$ 24,242,480	\$ -
Interdepartmental Sales	-	-	-	-	-	-	-	11,993,140
Forfeited discounts	-	-	-	53,962	-	-	53,962	-
Other revenue	21,111	26,423	131,071	177,475	41	-	356,121	626,849
TOTAL OPERATING REVENUE	<u>3,311,740</u>	<u>1,902,486</u>	<u>10,166,786</u>	<u>6,863,180</u>	<u>2,317,156</u>	<u>91,215</u>	<u>24,652,563</u>	<u>12,619,989</u>
OPERATING EXPENSES								
Plant and maintenance expenses:								
Salaries and wages	959,161	862,286	1,151,186	1,269,456	614,054	-	4,856,143	887,133
Power	-	-	-	375,839	-	-	375,839	-
Chemicals	-	-	-	68,481	-	-	68,481	-
Supplies and expenses	303,698	114,491	2,396,679	559,121	321,938	41,205	3,737,132	3,320
Repairs and maintenance	348,253	153,405	469,255	70,908	39,005	11,203	1,092,029	-
TOTAL PLANT AND MAINTENANCE EXPENSES	<u>1,611,112</u>	<u>1,130,182</u>	<u>4,017,120</u>	<u>2,343,805</u>	<u>974,997</u>	<u>52,408</u>	<u>10,129,624</u>	<u>890,453</u>
General expenses:								
Office supplies and other expenses	14,906	9,747	6,702	28,111	1,369	184	61,019	24,088
Outside services employed	362,477	267,901	728,773	361,552	249,867	24,081	1,994,651	50,914
Insurance expense	60,145	64,189	127,314	22,336	10,324	-	284,308	2,041,906
Employee benefits	-	-	-	71,337	-	-	71,337	12,395,411
Miscellaneous general expenses	702	21,875	112,627	66,536	62,123	-	263,863	-
Transportation	79,503	26,220	11,901	370	4,667	-	122,661	-
TOTAL GENERAL EXPENSES	<u>517,733</u>	<u>389,932</u>	<u>987,317</u>	<u>550,242</u>	<u>328,350</u>	<u>24,265</u>	<u>2,797,839</u>	<u>14,512,319</u>
Depreciation	1,692,413	1,308,609	1,201,492	1,222,507	159,180	1,984	5,586,185	-
Taxes	56,597	39,571	95,492	88,358	27,839	-	307,857	-
TOTAL OPERATING EXPENSES	<u>3,877,855</u>	<u>2,868,294</u>	<u>6,301,421</u>	<u>4,204,912</u>	<u>1,490,366</u>	<u>78,657</u>	<u>18,821,505</u>	<u>15,402,772</u>
OPERATING (LOSS) INCOME	<u>(566,115)</u>	<u>(965,808)</u>	<u>3,865,365</u>	<u>2,658,268</u>	<u>826,790</u>	<u>12,558</u>	<u>5,831,058</u>	<u>(2,782,783)</u>
NONOPERATING REVENUE (EXPENSES)								
Interest income	112,585	54,964	92,593	139,430	52,591	4,466	456,629	234,208
Miscellaneous revenue	-	-	1,314	2,536	98	-	3,948	1,579
Sale of capital assets	22,598	14,018	73,838	-	-	-	110,454	-
Interest expense	(102,460)	(445,903)	(320,566)	(27,363)	-	-	(896,292)	-
Amortization	-	36,662	-	-	-	-	36,662	-
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>32,723</u>	<u>(340,259)</u>	<u>(152,821)</u>	<u>114,603</u>	<u>52,689</u>	<u>4,466</u>	<u>(288,599)</u>	<u>235,787</u>
(LOSS) INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	<u>(533,392)</u>	<u>(1,306,067)</u>	<u>3,712,544</u>	<u>2,772,871</u>	<u>879,479</u>	<u>17,024</u>	<u>5,542,459</u>	<u>(2,546,996)</u>
OPERATING TRANSFER IN (OUT)	-	1,024,431	(4,414)	(787,869)	-	-	232,148	-
CAPITAL CONTRIBUTIONS	2,456,469	-	1,750,000	-	3,261,965	-	7,468,434	-
CHANGE IN NET POSITION	<u>1,923,077</u>	<u>(281,636)</u>	<u>5,458,130</u>	<u>1,985,002</u>	<u>4,141,444</u>	<u>17,024</u>	<u>13,243,041</u>	<u>(2,546,996)</u>
NET POSITION - BEGINNING OF YEAR	<u>74,200,391</u>	<u>34,832,865</u>	<u>40,807,131</u>	<u>36,121,962</u>	<u>18,447,865</u>	<u>645,838</u>	<u>205,056,052</u>	<u>17,908,884</u>
NET POSITION - END OF YEAR	<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>

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, 2022

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 3,312,006	\$ 1,821,674	\$ 9,253,392	\$ 5,695,934	\$ 2,876,584	\$ 83,496	\$ 23,043,086	\$ 631,517
Receipts from municipality	-	-	487,436	1,002,813	-	-	1,490,249	12,153,585
Payments to suppliers for goods and services	(1,061,374)	(591,908)	(4,561,027)	(1,740,626)	(1,388,862)	(76,674)	(9,420,471)	(2,159,933)
Payments for employees wages and benefits	(1,295,609)	(969,716)	(1,650,701)	(1,587,723)	(619,052)	-	(6,122,801)	(13,282,544)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>955,023</u>	<u>260,050</u>	<u>3,529,100</u>	<u>3,370,398</u>	<u>868,670</u>	<u>6,822</u>	<u>8,990,063</u>	<u>(2,657,375)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfer from (to) governmental funds	-	1,024,431	(4,414)	(787,869)	-	-	232,148	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition of property, plant and equipment	(2,489,837)	(231,504)	(31,024,335)	(1,193,087)	(6,566,972)	-	(41,505,735)	-
Retirement of long-term debt	(491,394)	(687,728)	(69,584,307)	(175,935)	-	-	(70,939,364)	-
Issuance of long-term debt	106,729	79,039	25,172,197	53,250	-	-	25,411,215	-
Interest paid	(104,922)	(452,203)	(386,804)	(27,363)	-	-	(971,292)	-
Contributed capital	2,456,469	-	1,750,000	-	3,261,965	-	7,468,434	-
Advances from other funds, net	-	-	10,100,000	-	-	-	10,100,000	-
NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(522,955)</u>	<u>(1,292,396)</u>	<u>(63,973,249)</u>	<u>(1,343,135)</u>	<u>(3,305,007)</u>	<u>-</u>	<u>(70,436,742)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	112,585	91,626	92,593	139,430	52,591	4,466	493,291	234,208
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>544,653</u>	<u>83,711</u>	<u>(60,355,970)</u>	<u>1,378,824</u>	<u>(2,383,746)</u>	<u>11,288</u>	<u>(60,721,240)</u>	<u>(2,423,167)</u>
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>5,391,501</u>	<u>2,668,512</u>	<u>62,336,697</u>	<u>7,620,455</u>	<u>5,051,169</u>	<u>289,221</u>	<u>83,357,555</u>	<u>24,357,219</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 5,936,154</u>	<u>\$ 2,752,223</u>	<u>\$ 1,980,727</u>	<u>\$ 8,999,279</u>	<u>\$ 2,667,423</u>	<u>\$ 300,509</u>	<u>\$ 22,636,315</u>	<u>\$ 21,934,052</u>
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities								
Operating (loss) income	\$ (566,115)	\$ (965,808)	\$ 3,865,365	\$ 2,658,268	\$ 826,790	\$ 12,558	\$ 5,831,058	\$ (2,782,783)
Adjustments to reconcile operating (loss) income to net cash flows from operating activities								
Depreciation	1,692,413	1,308,609	1,201,492	1,222,507	159,180	1,984	5,586,185	-
Changes in assets and liabilities								
Decrease (increase) in assets								
Receivables - customers	266	(79,583)	(439,496)	(45,335)	557,339	(7,719)	(14,528)	(44,063)
Receivables - other	-	(1,229)	13,538	31,612	2,089	-	46,010	-
Due from other governments	-	-	-	(247)	-	-	(247)	-
Inventories	3,315	-	-	(146,887)	-	-	(143,572)	28,216
Prepaid expenses	4,450	(21)	243	38	(11)	-	4,699	758
Leases receivable	(1,849,540)	-	-	-	-	-	-	-
Wisconsin Retirement System pension	(99,543)	(72,718)	(141,653)	(51,920)	(43,750)	-	(409,584)	-
Wisconsin Retirement System LRLIF	26,632	66,297	(2,179)	59,501	46,618	-	196,869	-
OPEB healthcare	(279,910)	(115,992)	(338,805)	(284,879)	-	-	(1,019,586)	-
Decrease (increase) in liabilities								
Accounts payable	157,142	105,512	(612,527)	47,835	(671,719)	-	(973,757)	101,255
Payroll payable	11,855	11,946	(8,815)	10,734	(7,866)	-	17,854	-
Other accrued expenses	4,518	3,037	(8,063)	19,634	-	(1)	19,125	39,242
Due to other funds	-	-	-	(150,463)	-	-	(150,463)	-
Deferred inflows of resources - leases	1,849,540	-	-	-	-	-	1,849,540	-
Total adjustments	<u>1,521,138</u>	<u>1,225,858</u>	<u>(336,265)</u>	<u>712,130</u>	<u>41,880</u>	<u>(5,736)</u>	<u>3,159,005</u>	<u>125,408</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 955,023</u>	<u>\$ 260,050</u>	<u>\$ 3,529,100</u>	<u>\$ 3,370,398</u>	<u>\$ 868,670</u>	<u>\$ 6,822</u>	<u>\$ 8,990,063</u>	<u>\$ (2,657,375)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR								
Cash and investments	\$ 5,112,525	\$ 2,752,223	\$ 72,101	\$ 8,862,624	\$ 2,610,046	\$ 300,509	\$ 19,710,028	\$ 21,916,418
Restricted cash	823,629	-	1,908,626	136,655	57,377	-	2,926,287	17,634
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 5,936,154</u>	<u>\$ 2,752,223</u>	<u>\$ 1,980,727</u>	<u>\$ 8,999,279</u>	<u>\$ 2,667,423</u>	<u>\$ 300,509</u>	<u>\$ 22,636,315</u>	<u>\$ 21,934,052</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2022

<u>ASSETS</u>	<u>CUSTODIAL FUNDS</u>
Cash and investments	\$ 29,947,769
Taxes receivable	23,159,455
Accounts receivable	<u>8,470</u>
TOTAL ASSETS	\$ <u>53,115,694</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 33,821
Due to other governments	29,812,448
Due to others	<u>122,280</u>
TOTAL LIABILITIES	<u>29,968,549</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>23,159,455</u>
NET POSITION	
Restricted for other governments	<u>(12,310)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ <u>53,115,694</u>

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, 2022

	CUSTODIAL FUNDS
ADDITIONS	
Collections for other governments	<u>\$ 57,783,632</u>
DEDUCTIONS	
Payments to other governments	57,783,632
Payments to others	<u>5,124</u>
TOTAL DEDUCTIONS	<u>57,788,756</u>
CHANGE IN NET POSITION	(5,124)
NET POSITION - BEGINNING OF YEAR	<u>(7,186)</u>
NET POSITION - END OF YEAR	<u>\$ (12,310)</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, 2022

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 of La Crosse, Wisconsin 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 of La Crosse, 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, and 20 and other funds and departments which are part of the City.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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 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, 2022

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, 2022

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, 2022

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 operating transfers, and exchange transactions are recorded as revenue and expenses. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

Inventory - Inventory is priced at the lower of cost (first-in, first-out) or market. The cost of governmental fund-type inventories are recorded as expenditures when purchased. A nonspendable fund balance has been recognized for inventory to signify that a portion of fund balance is not available for other subsequent expenditures.

Prepaid Items - 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 for prepaid items to signify that 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, 2022

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 fair 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. Interest expenses incurred during construction were not capitalized as part of the additions to capital assets.

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

Capital Asset Category	Capitalization Threshold	Estimated Useful Life
Infrastructure	\$ 5,000	75
Land	-	N/A
Land improvements	5,000	10-100
Buildings/structures/building improvements	5,000	40-100
Machinery and equipment	5,000	10-100
Vehicles	5,000	10-30

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 comp 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 - For purposes of measuring the net pension (asset), deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

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 the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. 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) 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.

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.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 1 - Summary of Significant Accounting Policies - Continued

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 12, 2023, the date which the financial statements were available to be issued.

Changes in Accounting Principle - The City has implemented GASB Statement No. 87, Leases, in 2022. At the beginning of the period, where the City was the lessor, leases recorded as operating leases under previous guidance were recorded as deferred inflows of resources and corresponding lease receivables in the governmental activities and business-type activities in the amounts of \$1,771,211 and \$2,119,359, respectively. The change resulted in no adjustments to fund balance or net position.

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.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 2 - Cash and Investments -Continued

As of December 31, 2022, 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	\$ 71,894,993
Government Securities	More than one year	34,226,191
Repurchase Agreements	Less than one year	8,170,241
Corporate Bonds	More than one year	17,924,583
Bond Mutual Funds	Less than one year	1,205,121
Equity Mutual Funds	Less than one year	515,254
TOTAL		<u>\$ 133,936,383</u>

Determining Fair Value - The City categorizes its fair value measurements with in 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, 2022, 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, 2022. 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.

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, 2022, \$37,582,206 of the City's and the Component Unit's bank balance of \$50,061,111 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's and the Component Unit's name	\$ 14,918,966
Uninsured, uncollateralized	22,676,716
	<u>\$ 37,595,682</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 2 - Cash and Investments - Continued

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, 2022, \$8,170,241 of the City's investments subject to custodial credit risk of \$8,170,241 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name **\$ 8,170,241**

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 2022 tax roll (levied for 2023) 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> <u>1/1/22</u>	<u>ADDITIONS</u>	<u>PAYMENTS,</u> <u>FOREGIVENESS &</u> <u>FORECLOSURES</u>	<u>BALANCES</u> <u>12/31/22</u>
<u>PRIMARY GOVERNMENT</u>				
Housing Rehabilitation	\$ 33,000	\$ -	\$ (3,000)	\$ 30,000
HOME Program	735,921	-	(1,000)	734,921
NSP Program	33,300	-	-	33,300
Replacement Housing	1,289,677	2,687,381	(22,200)	3,954,858
TID #11	-	73,805	-	73,805
TID #14	213,721	34,073	-	247,794
TID #15	252,973	75,000	(32,681)	295,292
Economic Development	3,714,433	-	(126,180)	3,588,253
TID #13	39,050	-	-	39,050
Residential Rehabilitation	4,179,249	27,576	(322,810)	3,884,015
TOTAL	<u>\$ 10,491,324</u>	<u>\$ 2,897,835</u>	<u>\$ (507,871)</u>	<u>\$ 12,881,288</u>

Interest receivable of \$3,121,541 associated with these loans is included in the Accounts Receivable and other line of the balance sheet.

COMPONENT UNIT

Economic Development	<u>\$ 444,000</u>	<u>\$ -</u>	<u>\$ (94,000)</u>	<u>\$ 350,000</u>
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CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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, 2022, the City's leases receivable and deferred inflows of resources balances of \$3,438,959 was comprised of the following:

GOVERNMENTAL ACTIVITIES

Two building or structure leases for which the City recognized \$82,413 of lease revenue and \$1,719 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.	\$ 186,475
Six land leases for which the City recognized \$99,379 of lease revenue and \$16,155 of interest revenue during the year, at interest rates ranging from .83 percent to 1.50 percent, with remaining lease terms ranging from 5 to 18 years.	<u>1,402,944</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 1,589,419</u>

BUSINESS-TYPE ACTIVITIES

Five building leases for which the City recognized \$261,214 of lease revenue and \$3,131 of interest revenue during the year, at interest rates ranging from .21 percent to 0.77 percent, with remaining lease terms ranging from 1 to 5 years.	\$ 425,485
Two land leases for which the City recognized \$8,605 of lease revenue and \$23,054 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>1,424,055</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 1,849,540</u>

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>
2023	\$ 133,412	\$ 19,779	\$ 204,371	\$ 26,879
2024	138,204	17,736	110,667	26,025
2025	142,354	16,077	64,963	25,333
2026	141,614	14,379	52,040	24,803
2027	146,658	12,634	42,880	24,282
2028-2032	693,685	36,059	74,651	117,413
2033-2037	169,051	4,717	119,076	109,037
2038-2042	24,441	559	174,618	96,308
2043-2047	-	-	243,620	78,155
2048-2052	-	-	328,885	53,283
2053-2057	-	-	433,769	20,127
	<u>\$ 1,589,419</u>	<u>\$ 121,940</u>	<u>\$ 1,849,540</u>	<u>\$ 601,645</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 6 - Capital Assets

Capital asset activity for the year ended December 31, 2022, was as follows:

GOVERNMENTAL ACTIVITIES

	BALANCES <u>1/1/22</u>	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES <u>12/31/22</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,028,660	\$ -	\$ -	\$ -	\$ 13,028,660
Construction in progress	<u>89,284,440</u>	<u>26,002,050</u>	-	<u>(14,235,257)</u>	<u>101,051,233</u>
Total capital assets not being depreciated	<u>102,313,100</u>	<u>26,002,050</u>	-	<u>(14,235,257)</u>	<u>114,079,893</u>
<i>Capital assets being depreciated</i>					
Buildings	89,516,901	-	52,292	1,312,038	90,776,647
Infrastructure	146,722,822	-	-	8,182,722	154,905,544
Improvements other than buildings	17,861,903	-	-	-	17,861,903
Machinery and equipment	<u>67,308,235</u>	<u>1,293,880</u>	<u>2,581,939</u>	<u>4,740,497</u>	<u>70,760,673</u>
Total capital assets being depreciated	<u>321,409,861</u>	<u>1,293,880</u>	<u>2,634,231</u>	<u>14,235,257</u>	<u>334,304,767</u>
Less accumulated depreciation for:					
Buildings	21,813,981	426,889	25,570	-	22,215,300
Infrastructure	57,998,180	4,658,309	683,163	-	61,973,326
Improvements other than buildings	6,795,160	27,845	-	-	6,823,005
Machinery and equipment	<u>23,879,683</u>	<u>2,389,323</u>	<u>792,984</u>	-	<u>25,476,022</u>
Total accumulated depreciation	<u>110,487,004</u>	<u>7,502,366</u>	<u>1,501,717</u>	-	<u>116,487,653</u>
Total capital assets being depreciated, net	<u>210,922,857</u>	<u>(6,208,486)</u>	<u>1,132,514</u>	<u>14,235,257</u>	<u>217,817,114</u>
<u>GOVERNMENTAL ACTIVITIES</u>					
CAPITAL ASSETS, NET	<u>\$ 313,235,957</u>	<u>\$ 19,793,564</u>	<u>\$ 1,132,514</u>	<u>\$ -</u>	<u>\$ 331,897,007</u>

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

General Government	\$ 1,257,675
Public Safety	1,042,586
Public Works	2,750,143
Transit	831,718
Health and Human Services	15,225
Culture, Recreation, and Education	1,381,179
Conservation and Development	<u>223,840</u>
Total	<u>\$ 7,502,366</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 6 - Capital Assets - Continued

BUSINESS-TYPE ACTIVITIES

	<u>BALANCES</u> <u>1/1/22</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> <u>12/31/22</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,836,692	\$ -	\$ -	\$ -	\$ 3,836,692
Construction in progress	<u>51,176,224</u>	<u>38,838,111</u>	<u>-</u>	<u>(2,289,773)</u>	<u>87,724,562</u>
Total capital assets not being depreciated	<u>55,012,916</u>	<u>38,838,111</u>	<u>-</u>	<u>(2,289,773)</u>	<u>91,561,254</u>
<i>Capital assets being depreciated</i>					
Land improvements	3,986,194	-	-	-	3,986,194
Buildings	44,937,910	75,779	1,000	16,295	45,028,984
Equipment	17,132,714	808,667	451,854	743,953	18,233,480
Infrastructure	<u>173,458,620</u>	<u>2,325,375</u>	<u>292,326</u>	<u>1,529,525</u>	<u>177,021,194</u>
Total capital assets being depreciated	<u>239,515,438</u>	<u>3,209,821</u>	<u>745,180</u>	<u>2,289,773</u>	<u>244,269,852</u>
Less accumulated depreciation for:					
Land improvements	3,158,800	103,996	-	-	3,262,796
Buildings	15,041,945	1,018,416	1,000	-	16,059,361
Equipment	11,373,176	694,610	163,239	-	11,904,547
Infrastructure	<u>52,229,425</u>	<u>3,936,413</u>	<u>242,609</u>	<u>-</u>	<u>55,923,229</u>
Total accumulated depreciation	<u>81,803,346</u>	<u>5,753,435</u>	<u>406,848</u>	<u>-</u>	<u>87,149,933</u>
Total capital assets being depreciated, net accumulated depreciation	<u>157,712,092</u>	<u>(2,543,614)</u>	<u>338,332</u>	<u>2,289,773</u>	<u>157,119,919</u>

BUSINESS-TYPE ACTIVITIES

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	<u>\$ 212,725,008</u>	<u>\$ 36,294,497</u>	<u>\$ 338,332</u>	<u>\$ -</u>	<u>\$ 248,681,173</u>
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Depreciation expense was charged to functions as follows:

Business-type activities		
Airport		\$ 1,692,413
Parking Utility		1,308,609
Water Utility		1,560,351
Sewer Utility		1,030,898
Storm Utility		159,180
Sanitary Sewer Utility		<u>1,984</u>
		5,753,435
Less: Water Utility joint metering and clearing		<u>(167,250)</u>
TOTAL		<u>\$ 5,586,185</u>

COMPONENT UNIT

	<u>BALANCES</u> <u>1/1/22</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCES</u> <u>12/31/22</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Construction in progress	<u>2,140,762</u>	<u>284,764</u>	<u>-</u>	<u>2,425,526</u>
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	<u>\$ 12,140,762</u>	<u>\$ 284,764</u>	<u>\$ -</u>	<u>\$ 12,425,526</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 7 - Long-Term Obligations

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

Summary of Long-Term Obligations

	<u>BALANCES</u> 1/1/22	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>AMOUNTS</u> <u>BALANCES</u> 12/31/22	<u>DUE WITHIN</u> <u>ONE YEAR</u>
<u>GOVERNMENTAL ACTIVITIES</u>					
Bonds payable	\$ 77,730,711	\$14,475,000	\$ (5,000,751)	\$ 87,204,960	\$ 6,139,145
Notes payable - direct borrowing	3,743,416	1,120,200	(1,875,534)	2,988,082	688,702
Notes payable - direct placement	25,730,118	-	(2,628,547)	23,101,571	3,607,422
Loan - direct placement	6,271,768	1,224,929	(1,000,101)	6,496,596	1,004,594
Premium	3,470,543	511,878	(334,522)	3,647,899	372,262
Net OPEB obligation	33,654,345	-	(3,364,956)	30,289,389	2,424,305
Wisconsin retirement system:					
Net OPEB liability - LRLIF	5,865,033	-	(10,893)	5,854,140	-
Employee benefits:					
Vacation pay	1,335,341	-	(23,928)	1,311,413	1,311,413
Sick pay	665,827	90,226	-	756,053	756,053
Comp pay	158,440	1,640	-	160,080	160,080
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$158,625,542</u>	<u>\$17,423,873</u>	<u>\$ (14,239,232)</u>	<u>\$161,810,183</u>	<u>\$16,463,976</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Bonds payable - Airport	\$ 3,210,000	\$ -	\$ (400,000)	\$ 2,810,000	\$ 410,000
Bonds payable - Parking	13,245,000	-	(630,000)	12,615,000	655,000
Bonds payable - Water Utility	504,289	-	(84,249)	420,040	85,855
Notes payable - Water Utility - direct placement	140,527	-	(27,098)	113,429	27,578
Notes payable - Sewer Utility - direct placement	1,254,355	-	(1,254,355)	-	-
Revenue bonds payable - Sewer Utility	68,263,000	25,109,184	(68,263,000)	25,109,184	-
Loan - direct placement	793,501	302,031	(240,788)	854,744	325,862
Premium	626,931	-	(39,874)	587,057	39,874
Net OPEB Obligation	4,074,440	-	(717,994)	3,356,446	247,294
Wisconsin retirement system:					
Net OPEB liability - LRLIF	880,080	130,887	-	1,010,967	-
Employee benefits:					
Vacation pay	143,252	20,158	-	163,410	163,410
Sick pay	90,559	-	(1,033)	89,526	89,526
Comp pay	25,330	2	-	25,332	25,332
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 93,251,264</u>	<u>\$25,562,262</u>	<u>\$ (71,658,391)</u>	<u>\$ 47,155,135</u>	<u>\$ 2,069,731</u>
<u>COMPONENT UNIT</u>					
Revenue bond payable - RDA	<u>\$ 3,000,000</u>	<u>\$ 3,890,000</u>	<u>\$ -</u>	<u>\$ 6,890,000</u>	<u>\$ -</u>

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, 2022

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, 2022, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/22</u>
Bonds Payable				
GO Bonds Payable A	2012	2.000 - 3.000	2026	\$ 1,450,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	1,860,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	875,000
GO Bonds Payable B	2015	2.000 - 3.000	2024	425,000
GO Bonds Payable A	2017	3.000 - 5.000	2032	3,880,000
GO Bonds Payable B	2017	3.000 - 5.000	2032	2,385,000
GO Bonds Payable D	2017	3.000 - 3.500	2037	12,615,000
GO Bonds Payable A	2018	3.000 - 5.000	2033	2,800,000
GO Bonds Payable A	2019	2.125 - 5.000	2034	5,175,000
GO Bonds Payable A	2020	1.125 - 2.000	2035	5,690,000
GO Bonds Payable C	2020	0.750 - 2.350	2040	32,945,000
GO Refunding Bonds Payable D	2020	0.300 - 1.400	2031	6,440,000
GO Bonds Payable A	2021	1.670 - 4.000	2036	12,035,000
GO Bonds Payable A	2022	3.000 - 4.000	2037	11,710,000
GO Bonds Payable B	2022	3.000 - 4.000	2032	<u>2,765,000</u>
TOTAL BONDS PAYABLE				<u>103,050,000</u>
Notes Payable				
GO Note Payable C - direct placement	2015	2.000	2024	1,000,000
State Trust Fund Loan 2015D - direct borrowing	2015	3.250	2025	116,520
State Trust Fund Loan 2015E - direct borrowing	2015	3.750	2030	483,031
GO Notes Payable A - direct placement	2016	2.000	2026	2,365,000
GO Notes Payable C - direct placement	2017	2.000 - 3.000	2027	890,000
State Trust Fund Loan 2017E - direct borrowing	2017	3.500	2027	444,667
GO Notes Payable B - direct placement	2018	3.000	2028	1,435,000
GO Notes Payable B - direct placement	2019	2.000 - 5.000	2029	1,010,000
GO Notes Payable B - direct placement	2020	1.125 - 2.000	2030	3,475,000
State Trust Fund Loan - TID 17	2020	2.500	2025	359,521
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	6,330,000
GO Notes Payable C - direct placement	2021	2.000 - 5.000	2031	2,475,000
GO Notes Payable - TID 17	2021	3.500	2026	464,143
State Trust Fund Loan	2022	2.500	2027	470,200
State Trust Fund Loan A	2022	3.000	2032	<u>650,000</u>
TOTAL NOTES PAYABLE				<u>26,203,082</u>
Loan Payable - direct placement				
Financed purchase - BOA Phase I & Phase II	2019	2.400	2039	4,633,497
Financial purchase - Fleet vehicles	2021	8.340	2026	<u>2,717,843</u>
TOTAL LOANS PAYABLE				<u>7,351,340</u>
TOTAL GENERAL OBLIGATION DEBT				<u>\$ 136,604,422</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 7 - Long-Term Obligations - Continued

General Obligation Debt Limit Calculation

The 2022 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$5,131,278,800. The legal debt limit and margin of indebtedness as of December 31, 2022, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$5,131,278,800)	\$ 256,563,940
Applicable long-term debt	(136,604,422)
Amount available in debt service fund	<u>18,086,098</u>
MARGIN OF INDEBTEDNESS	<u>\$ 138,045,616</u>

Proprietary Fund Debt

Proprietary fund debt is expected to be repaid by fund revenue and is compromised of the following individual issue at December 31, 2022:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/22</u>
Revenue Bond Anticipation Notes	2022	1.576%	2041	<u>\$ 25,109,184</u>

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, 2022, is compromised of the following individual issue:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/22</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>
				<u>\$ 6,890,000</u>

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2022, are:

<u>YEARS</u>	<u>GENERAL OBLIGATION DEBT</u>					
	<u>NOTES PAYABLE</u>				<u>LOANS</u>	
	<u>BONDS</u>		<u>DIRECT BORROWING AND PLACEMENT</u>		<u>DIRECT PLACEMENT</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2023	\$ 7,290,000	\$ 2,555,080	\$ 4,323,702	\$ 574,531	\$ 1,330,456	\$ 208,930
2024	7,115,000	2,323,475	4,362,292	488,595	1,139,704	195,614
2025	7,115,000	2,115,228	3,192,643	381,729	778,417	159,584
2026	7,315,000	1,913,120	6,849,128	265,337	396,966	112,676
2027	7,135,000	1,723,843	2,058,823	162,668	281,875	90,489
2028-2032	34,985,000	6,131,034	5,416,494	218,481	1,363,628	332,039
2033-2036	21,555,000	2,260,158	-	-	1,214,925	141,610
2037-2040	10,540,000	552,852	-	-	845,369	27,428
TOTAL	<u>\$103,050,000</u>	<u>\$ 19,574,790</u>	<u>\$ 26,203,082</u>	<u>\$ 2,091,341</u>	<u>\$ 7,351,340</u>	<u>\$ 1,268,370</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 7 - Long-Term Obligations - Continued

YEARS	PROPRIETARY FUND DEBT		COMPONENT UNIT DEBT	
	REVENUE BONDS		REVENUE BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2023	\$ -	\$ 397,873	\$ -	\$ 151,460
2024	1,217,328	386,128	-	154,728
2025	1,236,513	366,792	-	154,728
2026	1,256,000	347,151	3,000,000	154,728
2027	1,275,795	327,200	3,890,000	98,028
2028-2032	6,686,984	1,325,564	-	-
2033-2036	5,739,055	667,914	-	-
2037-2041	7,697,509	307,075	-	-
	<u>\$ 25,109,184</u>	<u>\$ 4,125,697</u>	<u>\$ 6,890,000</u>	<u>\$ 713,672</u>

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, 2022 is \$4,531,082.

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.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 9 - Wisconsin Retirement System - Continued

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives & 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 \$3,540,369 in contributions from the employer.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 9 - Wisconsin Retirement System - Continued

Contribution rates as of December 31, 2021 are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2022, the City reported a liability (asset) of (\$24,845,089) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension 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, 2021, the City's proportion was 0.00135803%, which was a decrease of 0.30824469% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense of \$2,167,697.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$40,135,985	\$ 2,894,238
Net differences between projected and actual earnings on pension plan investments	-	55,580,531
Changes in assumptions	4,635,244	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,155	28,424
Employer contributions subsequent to the measurement date	3,727,031	-
Total	\$48,517,415	\$58,503,193

\$3,727,031 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflows/ (Inflows) of Resources
2023	\$(1,165,674)
2024	(6,734,528)
2025	(2,967,579)
2026	(2,845,028)

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 9 - Wisconsin Retirement System - Continued

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

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

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

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

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, 2021)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Core Fund Asset Class			
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund	115	6.6	4

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 9 - Wisconsin Retirement System - Continued

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2
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 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax- exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 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:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$17,629,352	(\$24,845,089)	(\$55,418,783)

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, 2022, the City reported a payable of \$716,405 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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.

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, 2021 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2021		
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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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

During the reporting period, the LRLIF recognized \$23,773 contributions from the employer.

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

At December 31, 2022, the City reported a liability (asset) of \$6,865,107 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net 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, 2021, the City's proportion was 1.6153600%, which was a decrease of 0.064687% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$831,409.

At December 31, 2022, 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	\$ -	\$ 349,225
Net differences between projected and actual earnings on OPEB investments	89,320	-
Changes in assumptions	2,074,186	332,755
Changes in proportion and differences between employer contributions and proportionate share of contributions	123,012	264,727
Employer contributions subsequent to the measurement date	70,609	-
Total	\$2,357,127	\$ 946,707

\$70,609 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, 2022. 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
2023	\$314,566
2024	304,204
2025	272,483
2026	343,007
2027	139,438
2028	(33,887)

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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

Actuarial Assumptions - The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
0 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
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. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 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.

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2021

<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	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

CITY OF LA CROSSE, WISCONSIN
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued
 DECEMBER 31, 2022

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

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 increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

Single Discount Rate - A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. 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 District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 percent, as well as what the District'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 (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	1% Decrease to Discount Rate (1.17%)	Current Discount Rate (2.17%)	1% Increase To Discount Rate (3.17%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$9,313,476	\$6,865,107	\$5,022,811

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>.

Payables to the OPEB Plan

At December 31, 2022, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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, 2020 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>
Total	<u>336</u>

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, 2022, the City paid \$2,671,599 in premium benefits.

Actuarial Assumptions - The OPEB healthcare liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	N/A
Discount Rate:	1.93%
Salary Increases:	4.31%
Mortality:	WRS December 31, 2019 Valuation
Medical Care Cost Trend:	5% decreasing by .40% per year to 4.5%, and level thereafter

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, 2020. Actuarial assumptions are based upon the Wisconsin Retirement System December 31, 2019 Actuarial Valuation Report.

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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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

Discount Rate - A discount rate of 4.31% 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	\$37,728,785
Changes for the year:	
Service	1,134,196
Interest	818,843
Difference between expected and actual experience	422,812
Changes of assumption and other inputs	(3,787,202)
Benefit payments	<u>(2,671,599)</u>
NET CHANGES	<u>(4,082,950)</u>
ENDING BALANCE	<u>\$33,645,835</u>

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	\$31,153,629	\$33,645,835	\$36,474,832

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 (3.31%)	Current Discount Rate (4.31%)	1% Increase to Discount Rate (5.31%)
OPEB healthcare liability	\$35,775,983	\$33,645,835	\$31,681,841

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

For the year ended December 31, 2022, the City recognized OPEB healthcare expense of \$3,473,075.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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

At December 31, 2022, 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	\$ 326,797	\$ 6,889,603
Changes in assumptions	2,090,282	5,113,949
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Total	\$2,417,079	\$12,003,552

\$-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, 2023. 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
2023	\$(5,426,113)
2024	(2,992,505)
2025	(859,504)
2026	(308,351)

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, 2022.

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	\$ 814,283
General	Federal Grants	413,413
General	TIF District #8	2,719
General	TIF District #11	791,746
General	TIF District #19	329
		<u>\$ 2,022,490</u>
Advances To/From Other Funds:		
General Fund	Transit	\$ 2,572,041
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
Debt Service Fund	Sewer Utility	10,100,000
		<u>\$ 15,498,520</u>

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, 2022

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

Individual fund transfers during 2022 are as follows:

<u>TRANSFER OUT</u>	<u>TRANSFER IN:</u>				<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>PARKING UTILITY</u>	
General Fund	\$ -	\$ 8,235,583	\$ -	\$ -	\$ 8,235,583
Nonmajor Governmental Funds	1,873,898	2,135,275	3,962,340	1,024,431	8,995,944
Water Utility	787,869	-	-	-	787,869
Sewer Utility	4,414	-	-	-	4,414
TOTAL	<u>\$ 2,666,181</u>	<u>\$ 10,370,858</u>	<u>\$ 3,962,340</u>	<u>\$ 1,024,431</u>	<u>\$18,023,810</u>

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:

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Deficits</u>		
TIF District #8	Awaiting future TIF levies	\$ 14,754
TIF District #10	Awaiting future TIF levies	88,884
TIF District #12	Awaiting future TIF levies	177,273
TIF District #19	Awaiting future TIF levies	329
	Total Deficits	<u>\$ 281,240</u>

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

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Nonspendable</u>		
General Fund	Inventory and prepaid expenses	\$ 111,119
General Fund	Advances to other funds	3,047,626
General Fund	Delinquent personal property tax	335,952
HUD Grants	Prepaid expenses	384
La Crosse Center	Inventory and prepaids	14,614
Transit	Prepaid expenses and inventory	226,269
Special Assigned	Prepaid expenses	2,758
Special Assigned	Advances to other funds	127,802
Debt Service	Advances to other funds	11,100,000
	Total Nonspendable	<u>\$ 14,966,524</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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	\$ 6,986,098
Building and Land Capital Projects	Unspent bond monies	8,691,631
Capital Projects	Unspent bond monies	1,990,900
TIF District #11	Future TIF expenditures	2,216,121
TIF District #13	Future TIF expenditures	9,559,527
TIF District #14	Future TIF expenditures	3,699,452
TIF District #15	Future TIF expenditures	604,142
TIF District #16	Future TIF expenditures	174,354
TIF District #17	Future TIF expenditures	1,605,687
TIF District #20	Future TIF expenditures	22,578
Capital Equipment	Unspent bond monies	1,981,653
Flood Plan Control	Unspent bond monies	39,020
Parks and Recreation	Unspent bond monies	2,190,040
Roadway and Infrastructure	Unspent bond monies	10,328,649
HUD Grants	Future loan payments	1,140,765
Housing	Future payments	3,625
Federal Grants	Future payments	83,305
	Total Restricted	<u>\$ 51,317,547</u>
<u>Committed</u>		
State Grants	Future grant expenditures	\$ 397,504
Library	Future library expenditures	2,050,149
La Crosse Center	Future La Crosse Center expenditures	302,812
Special Assessments	Future special assessment expenditures	313,480
Special Assigned	Expenditures related to prior year budget commitments	9,369,473
Room Tax	Future room tax expenditures	2,588,051
	Total Committed	<u>\$ 15,021,469</u>
<u>Restricted - Governmental Activities</u>		
Capital Projects	Various projects	\$ 43,107,379
Debt Service	Future debt repayment	6,986,098
Special Revenue	Unspent bond monies (HUD & Federal)	1,224,070
Other Activities	Wisconsin Retirement System pension asset	23,023,060
	Total Restricted - Governmental Activities	<u>\$ 74,340,607</u>
<u>Restricted - Proprietary Funds and Business-Type Activities</u>		
Airport	Restricted for future projects	\$ 823,629
Airport	Wisconsin Retirement System pension asset	374,246
Parking	Wisconsin Retirement System pension asset	268,841
Sewer	DNR replacement reserve	1,908,626
Sewer	Wisconsin Retirement System pension asset	562,946
Water	Replacement fund	136,655
Water	Wisconsin Retirement System pension asset	442,475
Storm	Restricted for future projects	57,377
Storm	Wisconsin Retirement System pension asset	173,521
	Total Restricted - Proprietary Funds and Business-Type Activities	<u>\$ 4,748,316</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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 \$10,703,721 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, 2022:

	#10	#11	#12	#13	#14
SOURCES OF FUNDS					
TIF tax collections	\$ 1,059,130	\$ 39,349,008	\$ 8,626,554	\$ 17,185,397	\$ 16,075,313
Exempt computer aids	688,807	5,562,350	132,623	1,957,656	12,330,653
Payment from other government	100,278	-	-	-	-
Sale of assets	26,806	828,002	42,200	354,206	427,933
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	2,588	156,946	8,514	151,211	134,022
Proceeds from long-term debt	240,750	37,061,983	7,355,928	8,586,767	1,185,993
Settlement from private	-	-	-	-	3,673,737
Transfers from other TIF's	-	400,608	748,500	2,036	5,000
TOTAL SOURCES	2,118,359	91,492,220	16,956,959	29,080,308	35,071,018
USES OF FUNDS					
Capital expenditures	1,989,165	58,651,436	9,529,410	12,029,047	18,989,499
Principal and interest on long-term debt	186,530	27,329,330	7,568,685	5,595,868	450,823
Interest on advances	31,548	925,209	36,137	46,157	8,781
Incentives for reverse TIF	-	2,370,124	-	188,685	11,922,463
Transfers to other TIF's	-	-	-	1,661,024	-
TOTAL USES	2,207,243	89,276,099	17,134,232	19,520,781	31,371,566
FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021	\$ (88,884)	\$ 2,216,121	\$ (177,273)	\$ 9,559,527	\$ 3,699,452
FUTURE REQUIREMENTS					
Debt service	-	\$ 16,576,111	\$ 3,958,659	\$ 4,550,767	\$ 25,823
Advances from other funds	202,364	2,000,000	214,115	-	-
Interest on advances	19,245	253,600	27,150	-	-
Proceeds from other governments	708,011	-	-	-	-
Estimated payable (developer's agreement)	-	3,860,000	-	-	5,575,000
Less receivables/plus payables	-	803,258	-	37,120	(30,000)
TOTAL FUTURE REQUIREMENTS	929,620	23,492,969	4,199,924	4,587,887	5,570,823
Less cash on hand (deficit)	(113,480)	(5,019,379)	(36,842)	(9,596,647)	(3,669,452)
BALANCE TO BE COLLECTED ON TIF DISTRICT	\$ 816,140	\$ 18,473,590	\$ 4,163,082	\$ (5,008,760)	\$ 1,901,371
DISTRICT TERMINATION DATE	2030	2031	2032	2026	2026
2022 Tax Increment	\$ 271,620	\$ 3,074,050	\$ 451,659	\$ 2,729,672	\$ 1,396,364

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

NOTE 15 - Tax Incremental Finance Districts - Continued

	<u>#15</u>	<u>#16</u>	<u>#17</u>	<u>#18</u>	<u>#19</u>	<u>#20</u>
SOURCES OF FUNDS						
TIF tax collections	\$ 5,731,317	\$ 1,148,262	\$ 7,874,723	\$ 14,415	\$ -	\$ 22,581
Exempt computer aids	549,862	15,091	103,290	-	-	-
Payment from other government	-	-	1,003,448	-	-	-
Sale of assets	30,704	-	138,609	-	-	-
Grants	-	-	2,722	-	-	-
Economic development proceeds	-	30,000	-	-	-	-
Judgment/liquidated damages	4,670	-	-	-	-	-
Loan repayments	53,542	-	-	-	-	-
Interest income	12,941	10,610	50,876	1,876	1	327
Proceeds from long-term debt	-	1,736,875	16,190,000	-	-	-
Proceeds from entity	272,935	803,739	-	-	-	-
Transfers from other TIF's	-	-	-	1,661,024	10,000	10,000
TOTAL SOURCES	<u>6,655,971</u>	<u>3,744,577</u>	<u>25,363,668</u>	<u>1,677,315</u>	<u>10,001</u>	<u>32,908</u>
USES OF FUNDS						
Capital expenditures	4,535,946	3,204,710	17,128,447	1,692,069	10,330	10,330
Principal and interest on long-term debt	-	339,596	6,629,106	-	-	-
Interest on advances	24	25,917	428	-	-	-
Incentives for reverse TIF	1,515,859	-	-	-	-	-
TOTAL USES	<u>6,051,829</u>	<u>3,570,223</u>	<u>23,757,981</u>	<u>1,692,069</u>	<u>10,330</u>	<u>10,330</u>
FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021	<u>\$ 604,142</u>	<u>\$ 174,354</u>	<u>\$ 1,605,687</u>	<u>\$ (14,754)</u>	<u>\$ (329)</u>	<u>\$ 22,578</u>
FUTURE REQUIREMENTS						
Debt service	\$ -	\$ 470,839	\$ 10,893,009	\$ -	\$ -	\$ -
Estimated payable (developer's agreement)	4,125,000	-	840,000	-	-	-
Less receivables/plus payables	11,644	35,925	(6,034)	14,754	329	-
TOTAL FUTURE REQUIREMENTS	<u>4,136,644</u>	<u>506,764</u>	<u>11,726,975</u>	<u>14,754</u>	<u>329</u>	<u>-</u>
Less cash on hand (deficit)	(615,786)	(210,279)	(1,599,653)	-	-	(22,578)
BALANCE TO BE COLLECTED OF TIF DISTRICT	<u>\$ 3,520,858</u>	<u>\$ 296,485</u>	<u>\$ 10,127,322</u>	<u>\$ 14,754</u>	<u>\$ 329</u>	<u>\$ (22,578)</u>
DISTRICT TERMINATION DATE	2033	2034	2035	2042	2042	2042
2022 Tax Increment	<u>\$ 840,997</u>	<u>\$ 276,716</u>	<u>\$ 1,504,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,414</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2022

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, 2021 to December 31, 2022:

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Liability</u>
Liability Balance, January 1, 2021	\$ 3,326,424	\$ 933,371	\$ 536,970
Claims and changes in estimates	11,999,378	(42,638)	40,189
Claim payments	<u>(10,317,539)</u>	<u>(38,911)</u>	<u>(128,649)</u>
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, DECEMBER 31, 2022	<u>\$ 4,784,746</u>	<u>\$ 1,065,358</u>	<u>\$ 398,643</u>

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, 2022

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, 2022

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE				
Taxes	\$ 38,721,079	\$ 38,721,079	\$ 39,739,519	\$ 1,018,440
Intergovernmental	17,803,032	17,803,032	17,021,005	(782,027)
Licenses and permits	1,290,255	1,290,255	2,238,860	948,605
Fines, forfeits, and penalties	1,100	1,100	1,131	31
Public charges for services	1,929,115	1,929,115	1,614,161	(314,954)
Intergovernmental charges for services	1,946,333	1,946,333	2,028,506	82,173
Miscellaneous	816,654	816,654	3,676,104	2,859,450
Change in FMV of investments	-	-	(3,174,665)	(3,174,665)
TOTAL REVENUE	<u>62,507,568</u>	<u>62,507,568</u>	<u>63,144,621</u>	<u>637,053</u>
EXPENDITURES				
Current				
General government	10,022,004	9,851,381	8,546,264	1,305,117
Public safety	26,577,199	26,594,701	26,408,664	186,037
Public works	10,047,699	10,047,699	9,771,582	276,117
Health and human services	149,000	149,000	108,938	40,062
Culture, recreation, and education	11,963,561	11,981,321	12,358,493	(377,172)
Conservation and development	436,988	556,988	488,402	68,586
Capital outlay	272,200	272,200	210,673	61,527
TOTAL EXPENDITURES	<u>59,468,651</u>	<u>59,453,290</u>	<u>57,893,016</u>	<u>1,560,274</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>3,038,917</u>	<u>3,054,278</u>	<u>5,251,605</u>	<u>2,197,327</u>
OTHER FINANCING SOURCES (USES)				
Operating transfers in	5,047,559	5,047,559	2,667,698	(2,379,861)
Operating transfers (out)	(8,121,476)	(8,136,837)	(8,235,583)	(98,746)
Sale of capital assets	35,000	35,000	148,673	113,673
TOTAL OTHER FINANCING (USES)	<u>(3,038,917)</u>	<u>(3,054,278)</u>	<u>(5,419,212)</u>	<u>(2,364,934)</u>
NET CHANGE IN FUND BALANCE	-	-	(167,607)	(167,607)
FUND BALANCE - BEGINNING OF YEAR	<u>19,513,829</u>	<u>19,513,829</u>	<u>19,513,829</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 19,513,829</u>	<u>\$ 19,513,829</u>	<u>\$ 19,346,222</u>	<u>\$ (167,607)</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, 2022

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. The supplementary appropriations to decrease the total General Fund budget during the year were \$15,361.
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 culture, recreation, and education by \$377,172 for the year ended December 31, 2022. 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, 2022

SCHEDULE OF CHANGES IN THE OPEB HEALTHCARE LIABILITY AND RELATED RATIOS
Last 10 Fiscal Years

	2022	2021	2020	2019	2018
Total OPEB Healthcare Liability					
Service cost	\$ 1,134,196	\$ 1,353,237	\$ 1,039,468	\$ 1,665,034	\$ 1,512,531
Interest	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	(3,787,202)	(726,246)	2,816,961	879,410	(3,448,173)
Benefit payments	(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	(4,082,950)	(1,793,370)	(11,853,684)	(80,951)	(15,288,484)
Total OPEB Healthcare Liability - Beginning	<u>37,728,785</u>	<u>39,522,155</u>	<u>51,375,839</u>	<u>51,456,790</u>	<u>66,745,274</u>
Total OPEB Healthcare Liability - Ending	<u>\$ 33,645,835</u>	<u>\$ 37,728,785</u>	<u>\$ 39,522,155</u>	<u>\$ 51,375,839</u>	<u>\$ 51,456,790</u>
Covered payroll	\$ 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	251.25%	189.71%	206.68%	251.34%	251.73%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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	1/1/2020	1/1/2020	1/1/2018	1/1/2018
Measurement date	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, 2022

Methods and assumptions used to determine actuarially calculations - entry age normal cost, 30 year level % open amortization, fair market value asset valuation, 2.25% 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, 2022

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)
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
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, 2022

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

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

CITY OF LA CROSSE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED DECEMBER 31, 2022

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
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%	5.5%	5.5%	5.5%
Weighted Based on Assumed Rate for;					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.2%	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*:	1.9%	1.9%	2.1%	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 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	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 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%)	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 71)

CITY OF LA CROSSE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED DECEMBER 31, 2022

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

	2016	2015	2014	2013
Valuation Date:	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
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
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
Asset Valuation Method:	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%
Weighted Based on Assumed Rate for;				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	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%
Post-retirement Benefit Adjustments*:	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 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 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, 2022

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)
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
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 proceeding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2022

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 - The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year.

CITY OF LA CROSSE, WISCONSIN

SUPPLEMENTARY INFORMATION

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 16,609,598	\$ 48,764,448	\$ 65,374,046
Receivable			
Taxes	186,789	10,545,271	10,732,060
Accounts and other	542,049	111,926	653,975
Special assessments	604,650	-	604,650
Loan	400,000	655,941	1,055,941
Due from other funds	188,616	6,414	195,030
Due from other governments	2,782,653	167,577	2,950,230
Inventories	235,597	-	235,597
Prepays	8,044	-	8,044
Leases receivable	1,150,122	422,920	1,573,042
Advances to other funds	127,802	-	127,802
	<u> </u>	<u> </u>	<u> </u>
TOTAL ASSETS	<u>\$ 22,835,920</u>	<u>\$ 60,674,497</u>	<u>\$ 83,510,417</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
 LIABILITIES			
Accounts payable	\$ 329,351	\$ 2,833,156	\$ 3,162,507
Accrued expenses			
Payroll	147,578	-	147,578
Due to other funds	-	794,794	794,794
Due to other governments	1,026,298	75,870	1,102,168
Deposit payable	61,722	-	61,722
Unearned revenue - other	1,377,560	745,023	2,122,583
Advances from other funds	2,732,041	2,416,479	5,148,520
TOTAL LIABILITIES	<u>5,674,550</u>	<u>6,865,322</u>	<u>12,539,872</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - tax roll	188,616	10,551,685	10,740,301
Unavailable revenue - special assessments	590,872	-	590,872
Leases	1,150,122	422,921	1,573,043
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,929,610</u>	<u>10,974,606</u>	<u>12,904,216</u>
 FUND BALANCES			
Nonspendable	371,443	-	371,443
Restricted	-	43,115,809	43,115,809
Committed	15,021,469	-	15,021,469
Unassigned	(161,152)	(281,240)	(442,392)
TOTAL FUND BALANCES	<u>15,231,760</u>	<u>42,834,569</u>	<u>58,066,329</u>
	<u> </u>	<u> </u>	<u> </u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 22,835,920</u>	<u>\$ 60,674,497</u>	<u>\$ 83,510,417</u>

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2022

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE			
Taxes	\$ 397,563	\$ 14,736,945	\$ 15,134,508
Special assessment	371,063	-	371,063
Intergovernmental	5,508,467	5,658,128	11,166,595
Licenses and permits	901,522	-	901,522
Fines, forfeits, and penalties	780,788	-	780,788
Public charges for services	4,317,368	35,441	4,352,809
Intergovernmental charges for services	494,288	-	494,288
Miscellaneous	1,205,609	849,432	2,055,041
Change in fair value of investments	(309,231)	-	(309,231)
TOTAL REVENUE	13,667,437	21,279,946	34,947,383
EXPENDITURES			
Current			
General government	481,418	79,919	561,337
Public safety	505,589	-	505,589
Public works	6,135,931	51,547	6,187,478
Health and human services	181,691	-	181,691
Culture, recreation, and education	4,037,093	-	4,037,093
Conservation and development	418,641	242,285	660,926
Debt service			
Principal	6,015	828,277	834,292
Interest	793	170,563	171,356
Other	-	-	-
Capital outlay	454,598	31,469,633	31,924,231
TOTAL EXPENDITURES	12,221,769	32,842,224	45,063,993
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	1,445,668	(11,562,278)	(10,116,610)
OTHER FINANCING SOURCES (USES)			
Operating transfers in	1,961,921	2,000,419	3,962,340
Operating transfers (out)	(3,559,404)	(5,438,057)	(8,997,461)
Sale of capital assets	6,605	847,706	854,311
Issuance of long-term debt	-	16,547,325	16,547,325
TOTAL OTHER FINANCING (USES) SOURCES	(1,590,878)	13,957,393	12,366,515
EXCESS OF REVENUE AND OTHER SOURCES (UNDER) OVER EXPENDITURES AND OTHER USES	(145,210)	2,395,115	2,249,905
FUND BALANCE - BEGINNING OF YEAR	15,376,970	40,439,454	55,816,424
FUND BALANCE - END OF YEAR	\$ 15,231,760	\$ 42,834,569	\$ 58,066,329

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

<u>ASSETS</u>	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Cash and investments	\$ 549,447	\$ 67,379	\$ 2,050,149	\$ 826,952	\$ 748,579	\$ 117,014	\$ 9,662,027	\$ 2,588,051	\$ 16,609,598
Receivable									
Taxes	-	-	-	-	-	186,789	-	-	186,789
Accounts and other	61,230	-	-	149,742	198,415	3,315	129,347	-	542,049
Special assessments	-	-	-	-	-	604,650	-	-	604,650
Loan	-	-	-	-	-	-	400,000	-	400,000
Due from other funds	-	-	-	-	-	188,616	-	-	188,616
Due from other governments	81,915	-	-	-	2,694,038	-	6,700	-	2,782,653
Inventories	-	-	-	12,614	222,983	-	-	-	235,597
Prepays	-	-	-	2,000	3,286	-	2,758	-	8,044
Leases receivable	-	-	-	-	-	-	1,150,122	-	1,150,122
Advances to other funds	-	-	-	-	-	-	127,802	-	127,802
TOTAL ASSETS	\$ 692,592	\$ 67,379	\$ 2,050,149	\$ 991,308	\$ 3,867,301	\$ 1,100,384	\$ 11,478,756	\$ 2,588,051	\$ 22,835,920
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>									
<u>LIABILITIES</u>									
Accounts payable	\$ 13,257	\$ 10,000	\$ -	\$ 76,568	\$ 49,701	\$ 7,416	\$ 172,409	\$ -	\$ 329,351
Accrued expenses									
Payroll	-	-	-	15,807	131,771	-	-	-	147,578
Due to other governments	-	-	-	-	1,002,635	-	23,663	-	1,026,298
Deposit payable	-	-	-	-	-	-	61,722	-	61,722
Unearned revenue - other	281,831	57,379	-	581,507	46,036	-	410,807	-	1,377,560
Advances from other funds	-	-	-	-	2,572,041	-	160,000	-	2,732,041
TOTAL LIABILITIES	295,088	67,379	-	673,882	3,802,184	7,416	828,601	-	5,674,550
<u>DEFERRED INFLOWS OF RESOURCES</u>									
Unavailable revenue - tax roll	-	-	-	-	-	188,616	-	-	188,616
Unavailable revenue - special assessments	-	-	-	-	-	590,872	-	-	590,872
Leases	-	-	-	-	-	-	1,150,122	-	1,150,122
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	779,488	1,150,122	-	1,929,610
<u>FUND BALANCES</u>									
Nonspendable	-	-	-	14,614	226,269	-	130,560	-	371,443
Committed	397,504	-	2,050,149	302,812	-	313,480	9,369,473	2,588,051	15,021,469
Unassigned	-	-	-	-	(161,152)	-	-	-	(161,152)
TOTAL FUND BALANCES	397,504	-	2,050,149	317,426	65,117	313,480	9,500,033	2,588,051	15,231,760
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 692,592	\$ 67,379	\$ 2,050,149	\$ 991,308	\$ 3,867,301	\$ 1,100,384	\$ 11,478,756	\$ 2,588,051	\$ 22,835,920

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2022

	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,563	\$ 397,563
Special assessment	-	-	-	-	-	371,063	-	-	371,063
Intergovernmental	927,424	50,214	-	-	4,337,072	-	193,757	-	5,508,467
Licenses and permits	-	-	-	-	-	-	901,522	-	901,522
Fines, forfeits, and penalties	-	-	-	-	-	-	780,788	-	780,788
Public charges for services	-	-	-	2,500,314	440,101	-	1,366,619	10,334	4,317,368
Intergovernmental charges for services	-	-	-	-	368,006	-	126,282	-	494,288
Miscellaneous	15,988	-	226,828	29,109	264,665	32,312	593,304	43,403	1,205,609
Change in fair value of investments	-	-	(309,231)	-	-	-	-	-	(309,231)
TOTAL REVENUE	943,412	50,214	(82,403)	2,529,423	5,409,844	403,375	3,962,272	451,300	13,667,437
EXPENDITURES									
Current									
General government	-	11,309	-	-	-	10,261	459,848	-	481,418
Public safety	344,075	-	-	-	-	-	161,514	-	505,589
Public works	-	-	-	-	6,073,265	62,666	-	-	6,135,931
Health and human services	-	-	-	-	-	-	181,691	-	181,691
Culture, recreation, and education	30,422	38,905	238,143	1,779,805	-	-	1,949,818	-	4,037,093
Conservation and development	308,851	-	-	-	-	-	109,790	-	418,641
Debt service									
Principal	-	-	-	-	6,015	-	-	-	6,015
Interest	-	-	-	-	793	-	-	-	793
Capital outlay	60,299	-	-	42,680	80,850	73,088	197,681	-	454,598
TOTAL EXPENDITURES	743,647	50,214	238,143	1,822,485	6,160,923	146,015	3,060,342	-	12,221,769
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	199,765	-	(320,546)	706,938	(751,079)	257,360	901,930	451,300	1,445,668
OTHER FINANCING SOURCES (USES)									
Operating transfers in	42,752	-	-	110,000	800,925	-	1,008,244	-	1,961,921
Operating transfers (out)	-	-	-	(1,713,657)	(55,000)	(200,000)	(945,403)	(645,344)	(3,559,404)
Sale of capital assets	-	-	-	-	-	-	6,605	-	6,605
TOTAL OTHER FINANCING SOURCES (USES)	42,752	-	-	(1,603,657)	745,925	(200,000)	69,446	(645,344)	(1,590,878)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	242,517	-	(320,546)	(896,719)	(5,154)	57,360	971,376	(194,044)	(145,210)
FUND BALANCE - BEGINNING OF YEAR	154,987	-	2,370,695	1,214,145	70,271	256,120	8,528,657	2,782,095	15,376,970
FUND BALANCE - END OF YEAR	\$ 397,504	\$ -	\$ 2,050,149	\$ 317,426	\$ 65,117	\$ 313,480	\$ 9,500,033	\$ 2,588,051	\$ 15,231,760

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2022

ASSETS	CAPITAL PROJECTS	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
Cash and investments	\$ 1,990,900	\$ 113,480	\$ 5,019,379	\$ 36,842	\$ 9,596,647	\$ 3,669,452	\$ 615,786	\$ 210,279	\$ 1,599,653
Receivable									
Taxes	-	271,620	3,074,050	451,659	2,729,672	1,396,364	840,997	276,716	1,504,193
Accounts and other	-	-	7,381	-	4,353	54,349	29,529	-	7,251
Loan	-	-	73,805	-	39,050	247,794	295,292	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Leases receivable	-	-	-	-	422,920	-	-	-	-
TOTAL ASSETS	\$ 1,990,900	\$ 385,100	\$ 8,174,615	\$ 488,501	\$ 12,792,642	\$ 5,367,959	\$ 1,781,604	\$ 486,995	\$ 3,111,097
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES									
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ 11,512	\$ -	\$ 35,573	\$ -	\$ 11,644	\$ 35,925	\$ 1,217
Accrued expenses	-	-	791,746	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	81,186	-	44,949	272,143	324,821	-	-
Advances from other funds	-	202,364	2,000,000	214,115	-	-	-	-	-
TOTAL LIABILITIES	-	202,364	2,884,444	214,115	80,522	272,143	336,465	35,925	1,217
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue - tax roll	-	271,620	3,074,050	451,659	2,729,672	1,396,364	840,997	276,716	1,504,193
Leases	-	-	-	-	422,921	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	271,620	3,074,050	451,659	3,152,593	1,396,364	840,997	276,716	1,504,193
FUND BALANCES									
Restricted	1,990,900	-	2,216,121	-	9,559,527	3,699,452	604,142	174,354	1,605,687
Unassigned	-	(88,884)	-	(177,273)	-	-	-	-	-
TOTAL FUND BALANCES	1,990,900	(88,884)	2,216,121	(177,273)	9,559,527	3,699,452	604,142	174,354	1,605,687
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,990,900	\$ 385,100	\$ 8,174,615	\$ 488,501	\$ 12,792,642	\$ 5,367,959	\$ 1,781,604	\$ 486,995	\$ 3,111,097

(Continued on page 78)

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR CAPITAL PROJECT FUNDS - Continued
DECEMBER 31, 2022

ASSETS	TIF 18	TIF 19	TIF 20	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	\$ -	\$ -	\$ 22,578	\$ 2,779,897	\$ 9,460,364	\$ 39,020	\$ 4,625	\$ 2,390,092	\$ 11,215,454	\$ 48,764,448
Receivable										
Taxes	-	-	-	-	-	-	-	-	-	10,545,271
Accounts and other	-	-	-	9,063	-	-	-	-	-	111,926
Loan	-	-	-	-	-	-	-	-	-	655,941
Due from other funds	-	-	6,414	-	-	-	-	-	-	6,414
Due from other governments	-	-	-	167,577	-	-	-	-	-	167,577
Leases receivable	-	-	-	-	-	-	-	-	-	422,920
TOTAL ASSETS	\$ -	\$ -	\$ 28,992	\$ 2,956,537	\$ 9,460,364	\$ 39,020	\$ 4,625	\$ 2,390,092	\$ 11,215,454	\$ 60,674,497
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 12,035	\$ -	\$ -	\$ 890,584	\$ 746,809	\$ -	\$ 1,000	\$ 200,052	\$ 886,805	\$ 2,833,156
Accrued expenses										
Due to other funds	2,719	329	-	-	-	-	-	-	-	794,794
Due to other governments	-	-	-	75,870	-	-	-	-	-	75,870
Unearned revenue - other	-	-	-	-	21,924	-	-	-	-	745,023
Advances from other funds	-	-	-	-	-	-	-	-	-	2,416,479
TOTAL LIABILITIES	14,754	329	-	966,454	768,733	-	1,000	200,052	886,805	6,865,322
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - tax roll	-	-	6,414	-	-	-	-	-	-	10,551,685
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-	422,921
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	6,414	-	-	-	-	-	-	10,974,606
FUND BALANCES										
Restricted	-	-	22,578	1,990,083	8,691,631	39,020	3,625	2,190,040	10,328,649	43,115,809
Unassigned	(14,754)	(329)	-	-	-	-	-	-	-	(281,240)
TOTAL FUND BALANCES	(14,754)	(329)	22,578	1,990,083	8,691,631	39,020	3,625	2,190,040	10,328,649	42,834,569
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ -	\$ -	\$ 28,992	\$ 2,956,537	\$ 9,460,364	\$ 39,020	\$ 4,625	\$ 2,390,092	\$ 11,215,454	\$ 60,674,497

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
YEAR ENDED DECEMBER 31, 2022

	CAPITAL PROJECTS	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
REVENUE									
Taxes	\$ -	\$ 301,342	\$ 4,718,465	\$ 602,955	\$ 3,716,862	\$ 1,987,917	\$ 920,533	\$ 340,314	\$ 2,111,561
Intergovernmental	-	4,956	495,845	9,488	208,099	733,821	77,240	2,102	17,393
Public charges for services	-	-	-	-	-	2,215	33,226	-	-
Miscellaneous	-	1,742	96,662	3,243	117,841	66,307	10,241	7,834	99,961
TOTAL REVENUE	<u>-</u>	<u>308,040</u>	<u>5,310,972</u>	<u>615,686</u>	<u>4,042,802</u>	<u>2,790,260</u>	<u>1,041,240</u>	<u>350,250</u>	<u>2,228,915</u>
EXPENDITURES									
Current									
General government	3,017	-	-	-	-	-	-	-	45,807
Public works	-	-	-	-	-	-	-	-	-
Conservation and development	-	25,030	62,907	25,030	26,181	25,030	25,135	25,030	26,533
Debt service									
Principal	-	-	-	50,987	-	-	-	339,596	114,048
Interest	-	3,207	31,700	23,419	100,398	-	-	-	11,839
Capital outlay	-	118,978	2,795,457	28,060	1,165,845	3,141,534	339,568	511,022	241,974
TOTAL EXPENDITURES	<u>3,017</u>	<u>147,215</u>	<u>2,890,064</u>	<u>127,496</u>	<u>1,292,424</u>	<u>3,166,564</u>	<u>364,703</u>	<u>875,648</u>	<u>440,201</u>
EXCESS OF REVENUE (UNDER) OVER EXPENDITURES	<u>(3,017)</u>	<u>160,825</u>	<u>2,420,908</u>	<u>488,190</u>	<u>2,750,378</u>	<u>(376,304)</u>	<u>676,537</u>	<u>(525,398)</u>	<u>1,788,714</u>
OTHER FINANCING SOURCES (USES)									
Operating transfers in	-	-	295	-	-	-	-	-	-
Operating transfers (out)	(20,298)	(2,901)	(1,912,062)	(485,000)	(1,184,185)	(212,690)	-	-	(1,079,431)
Sale of capital assets	-	-	-	-	-	19,279	30,409	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING (USES) SOURCES	<u>(20,298)</u>	<u>(2,901)</u>	<u>(1,911,767)</u>	<u>(485,000)</u>	<u>(1,184,185)</u>	<u>(193,411)</u>	<u>30,409</u>	<u>-</u>	<u>(1,079,431)</u>
EXCESS OF REVENUE AND OTHER SOURCES (UNDER) OVER EXPENDITURES AND OTHER USES	<u>(23,315)</u>	<u>157,924</u>	<u>509,141</u>	<u>3,190</u>	<u>1,566,193</u>	<u>(569,715)</u>	<u>706,946</u>	<u>(525,398)</u>	<u>709,283</u>
FUND BALANCE - BEGINNING OF YEAR	<u>2,014,215</u>	<u>(246,808)</u>	<u>1,706,980</u>	<u>(180,463)</u>	<u>7,993,334</u>	<u>4,269,167</u>	<u>(102,804)</u>	<u>699,752</u>	<u>896,404</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,990,900</u>	<u>\$ (88,884)</u>	<u>\$ 2,216,121</u>	<u>\$ (177,273)</u>	<u>\$ 9,559,527</u>	<u>\$ 3,699,452</u>	<u>\$ 604,142</u>	<u>\$ 174,354</u>	<u>\$ 1,605,687</u>

(Continued on page 80)

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS - Continued
YEAR ENDED DECEMBER 31, 2022

	TIF 18	TIF 19	TIF 20	CAPITAL EQUIPMENT	BUILDINGS AND LAND CAPITAL PROJECTS	FLOODPLAIN CONTROL	HOUSING	PARKS AND RECREATION	ROADWAY AND INFRA- STRUCTURE	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
REVENUE										
Taxes	\$ 14,415	\$ -	\$ 22,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,736,945
Intergovernmental	-	-	-	1,858,892	295	-	-	-	2,249,997	5,658,128
Public charges for services	-	-	-	-	-	-	-	-	-	35,441
Miscellaneous	1,319	-	326	31,993	126,696	587	75	148,493	136,112	849,432
TOTAL REVENUE	<u>15,734</u>	<u>-</u>	<u>22,907</u>	<u>1,890,885</u>	<u>126,991</u>	<u>587</u>	<u>75</u>	<u>148,493</u>	<u>2,386,109</u>	<u>21,279,946</u>
EXPENDITURES										
Current										
General government	-	-	-	-	-	-	3,500	-	27,595	79,919
Public works	-	-	-	-	-	-	-	-	51,547	51,547
Conservation and development	469	470	470	-	-	-	-	-	-	242,285
Debt service										
Principal	-	-	-	323,646	-	-	-	-	-	828,277
Interest	-	-	-	-	-	-	-	-	-	170,563
Capital outlay	1,571,658	-	-	7,331,334	9,427,688	-	-	1,242,272	3,554,243	31,469,633
TOTAL EXPENDITURES	<u>1,572,127</u>	<u>470</u>	<u>470</u>	<u>7,654,980</u>	<u>9,427,688</u>	<u>-</u>	<u>3,500</u>	<u>1,242,272</u>	<u>3,633,385</u>	<u>32,842,224</u>
EXCESS OF REVENUE (UNDER) OVER EXPENDITURES	<u>(1,556,393)</u>	<u>(470)</u>	<u>22,437</u>	<u>(5,764,095)</u>	<u>(9,300,697)</u>	<u>587</u>	<u>(3,425)</u>	<u>(1,093,779)</u>	<u>(1,247,276)</u>	<u>(11,562,278)</u>
OTHER FINANCING SOURCES (USES)										
Operating transfers in	1,146,875	-	-	541,279	111,970	-	-	-	200,000	2,000,419
Operating transfers (out)	-	-	-	(20,000)	(495,000)	-	-	(4,490)	(22,000)	(5,438,057)
Sale of capital assets	-	-	-	798,018	-	-	-	-	-	847,706
Issuance of long-term debt	-	-	-	4,706,525	6,470,200	-	50,000	2,253,000	3,067,600	16,547,325
TOTAL OTHER FINANCING SOURCES	<u>1,146,875</u>	<u>-</u>	<u>-</u>	<u>6,025,822</u>	<u>6,087,170</u>	<u>-</u>	<u>50,000</u>	<u>2,248,510</u>	<u>3,245,600</u>	<u>13,957,393</u>
EXCESS OF REVENUE AND OTHER SOURCES (UNDER) OVER EXPENDITURES AND OTHER USES	<u>(409,518)</u>	<u>(470)</u>	<u>22,437</u>	<u>261,727</u>	<u>(3,213,527)</u>	<u>587</u>	<u>46,575</u>	<u>1,154,731</u>	<u>1,998,324</u>	<u>2,395,115</u>
FUND BALANCE - BEGINNING OF YEAR	<u>394,764</u>	<u>141</u>	<u>141</u>	<u>1,728,356</u>	<u>11,905,158</u>	<u>38,433</u>	<u>(42,950)</u>	<u>1,035,309</u>	<u>8,330,325</u>	<u>40,439,454</u>
FUND BALANCE - END OF YEAR	<u>\$ (14,754)</u>	<u>\$ (329)</u>	<u>\$ 22,578</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>

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
DECEMBER 31, 2022

<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>
CURRENT ASSETS								
Cash and investments	\$ 28,433	\$ 17,656,962	\$ 609,105	\$ 137,603	\$ 2,315,184	\$ 766,011	\$ 403,120	\$ 21,916,418
Accounts receivable								
Customer	-	29,452	9,731	-	-	-	329,739	368,922
Inventories	93,858	-	-	-	-	-	-	93,858
Prepays	-	106	-	-	-	-	12,134	12,240
RESTRICTED ASSETS								
Cash	-	-	-	-	17,634	-	-	17,634
TOTAL ASSETS	<u>\$ 122,291</u>	<u>\$ 17,686,520</u>	<u>\$ 618,836</u>	<u>\$ 137,603</u>	<u>\$ 2,332,818</u>	<u>\$ 766,011</u>	<u>\$ 744,993</u>	<u>\$ 22,409,072</u>
<u>LIABILITIES AND NET POSITION</u>								
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	\$ 357	\$ 4,784,746	\$ -	\$ 398,643	\$ 1,065,358	\$ -	\$ 417,891	\$ 6,666,995
Other	-	-	-	-	-	-	327,102	327,102
Unearned revenue - other	-	53,087	-	-	-	-	-	53,087
TOTAL LIABILITIES	<u>357</u>	<u>4,837,833</u>	<u>-</u>	<u>398,643</u>	<u>1,065,358</u>	<u>-</u>	<u>744,993</u>	<u>7,047,184</u>
NET POSITION								
Restricted for other	-	-	-	-	17,634	-	-	17,634
Unrestricted	121,934	12,848,687	618,836	(261,040)	1,249,826	766,011	-	15,344,254
TOTAL NET POSITION	<u>121,934</u>	<u>12,848,687</u>	<u>618,836</u>	<u>(261,040)</u>	<u>1,267,460</u>	<u>766,011</u>	<u>-</u>	<u>15,361,888</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 122,291</u>	<u>\$ 17,686,520</u>	<u>\$ 618,836</u>	<u>\$ 137,603</u>	<u>\$ 2,332,818</u>	<u>\$ 766,011</u>	<u>\$ 744,993</u>	<u>\$ 22,409,072</u>

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	TOTALS
OPERATING REVENUE							
Interdepartmental sales	\$ -	\$ 11,019,765	\$ 383,065	\$ 132,010	\$ 454,754	\$ 3,546	\$ 11,993,140
Other revenue	164	493,541	24,758	108,386	-	-	626,849
TOTAL OPERATING REVENUE	164	11,513,306	407,823	240,396	454,754	3,546	12,619,989
OPERATING EXPENSES							
Plant and maintenance expenses:							
Salaries and wages	-	167,260	428,167	-	291,706	-	887,133
Supplies and expenses	-	3,320	-	-	-	-	3,320
TOTAL PLANT AND MAINTENANCE EXPENSES	-	170,580	428,167	-	291,706	-	890,453
GENERAL EXPENSES							
Office supplies and other expenses	20,226	3,862	-	-	-	-	24,088
Outside services employed	-	47,777	-	-	-	3,137	50,914
Insurance expense	-	1,507,940	-	278,309	255,657	-	2,041,906
Employee benefits	-	12,395,411	-	-	-	-	12,395,411
TOTAL GENERAL EXPENSES	20,226	13,954,990	-	278,309	255,657	3,137	14,512,319
TOTAL OPERATING EXPENSES	20,226	14,125,570	428,167	278,309	547,363	3,137	15,402,772
OPERATING (LOSS) INCOME	(20,062)	(2,612,264)	(20,344)	(37,913)	(92,609)	409	(2,782,783)
NONOPERATING REVENUE							
Interest income	-	217,001	7,419	-	-	9,788	234,208
Miscellaneous revenue	-	1,579	-	-	-	-	1,579
TOTAL NONOPERATING REVENUE	-	218,580	7,419	-	-	9,788	235,787
CHANGE IN NET POSITION	(20,062)	(2,393,684)	(12,925)	(37,913)	(92,609)	10,197	(2,546,996)
NET POSITION - BEGINNING OF YEAR	141,996	15,242,371	631,761	(223,127)	1,360,069	755,814	17,908,884
NET POSITION - END OF YEAR	\$ 121,934	\$ 12,848,687	\$ 618,836	\$ (261,040)	\$ 1,267,460	\$ 766,011	\$ 15,361,888

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2022

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	PAYROLL LIABILITIES	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 164	\$ 500,724	\$ 22,243	\$ 108,386	\$ -	\$ -	\$ -	\$ 631,517
Receipts from municipality	8,347	11,019,765	383,065	132,010	454,754	3,546	152,098	12,153,585
Payments to suppliers for goods and services	-	(1,786,499)	-	(328,176)	(42,121)	(3,137)	-	(2,159,933)
Payments for employees wages and benefits	-	(12,562,671)	(428,167)	-	(291,706)	-	-	(13,282,544)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	8,511	(2,828,681)	(22,859)	(87,780)	120,927	409	152,098	(2,657,375)
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	-	217,001	7,419	-	-	9,788	-	234,208
NET CHANGE IN CASH AND CASH EQUIVALENTS	8,511	(2,611,680)	(15,440)	(87,780)	120,927	10,197	152,098	(2,423,167)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	19,922	20,268,642	624,545	225,383	2,211,891	755,814	251,022	24,357,219
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 28,433	\$ 17,656,962	\$ 609,105	\$ 137,603	\$ 2,332,818	\$ 766,011	\$ 403,120	\$ 21,934,052
RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES								
Operating (loss) income	\$ (20,062)	\$ (2,612,264)	\$ (20,344)	\$ (37,913)	\$ (92,609)	\$ 409	\$ -	\$ (2,782,783)
Changes in assets and liabilities								
Decrease (increase) in receivables - customers	-	7,183	(2,515)	-	-	-	(48,731)	(44,063)
Decrease in inventories	28,216	-	-	-	-	-	-	28,216
(Increase) decrease in prepaid expenses	-	(83)	-	-	-	-	841	758
Increase (decrease) in accounts payable	357	(223,517)	-	(49,867)	213,536	-	160,746	101,255
Increase in other accrued expenses	-	-	-	-	-	-	39,242	39,242
Total adjustments	28,573	(216,417)	(2,515)	(49,867)	213,536	-	152,098	125,408
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ 8,511	\$ (2,828,681)	\$ (22,859)	\$ (87,780)	\$ 120,927	\$ 409	\$ 152,098	\$ (2,657,375)
CASH AND CASH EQUIVALENTS AT END OF YEAR								
Cash and investments	\$ 28,433	\$ 17,656,962	\$ 609,105	\$ 137,603	\$ 2,315,184	\$ 766,011	\$ 403,120	\$ 21,916,418
Restricted cash	-	-	-	-	17,634	-	-	17,634
TOTAL CASH AND CASH EQUIVALENTS	\$ 28,433	\$ 17,656,962	\$ 609,105	\$ 137,603	\$ 2,332,818	\$ 766,011	\$ 403,120	\$ 21,934,052

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, 2022, 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 12, 2023.

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.

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 12, 2023