

CITY OF LA CROSSE, WISCONSIN

**SUMMARY FINANCIAL REPORTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2016

**CITY OF LA CROSSE, WISCONSIN
SUMMARY FINANCIAL REPORTS**

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DECEMBER 31, 2016

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INDEPENDENT AUDITORS' REPORT

To the Common Council
City of La Crosse, Wisconsin

The accompanying summary financial reports of the City of La Crosse, Wisconsin, (the "City") as of and for the year ended December 31, 2016, as listed in the table of contents are derived from the audited basic financial statements of governmental activities, the business-type activities, 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, 2016, and the related notes, which collectively comprise the City's basic financial statements. We expressed an unmodified audit opinion on those audited financial statements in our report dated July 17, 2017.

The summary financial reports do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial reports, therefore, is not a substitute for reading the audited financial statements of the City.

Management's Responsibility for the Summary Financial Reports

Management is responsible for the preparation of the summary financial reports on the basis described in the other financial information.

Auditors' Responsibility

Our responsibility is to express an opinion about whether the summary financial reports are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial reports with the related information in the audited financial statements from which the summary financial reports have been derived, and evaluating whether the summary financial reports are prepared in accordance with the basis described in the other financial information.

Opinion

In our opinion, the summary financial reports of the City of La Crosse, Wisconsin as of and for the year ended December 31, 2016, referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived, on the basis described in the other financial information.

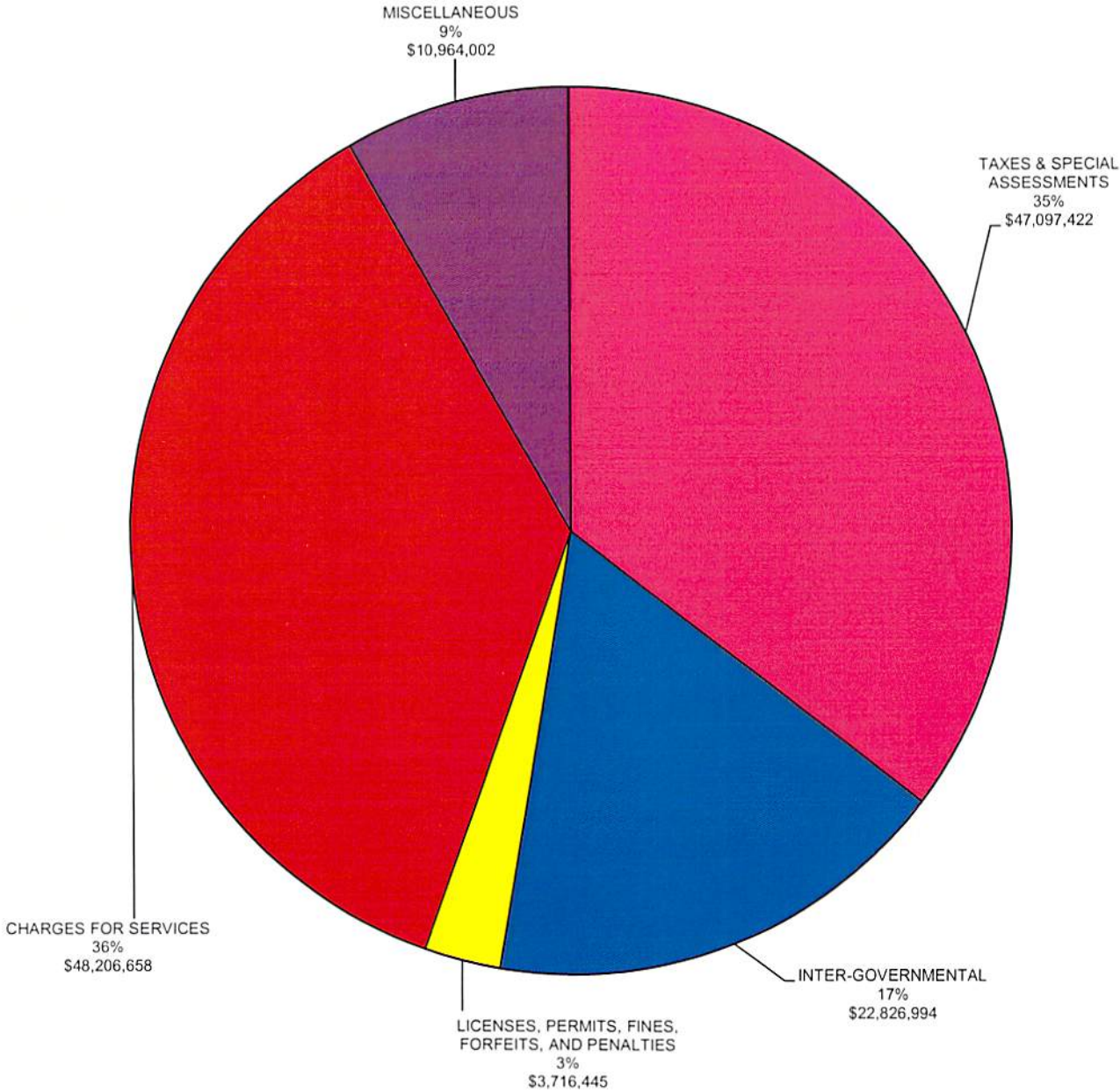
Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
July 17, 2017

**CITY OF LA CROSSE, WISCONSIN
COMBINED BALANCE SHEET
ALL FUNDS**

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	DECEMBER 31,	
	2016	2015
ASSETS		
Cash and investments	\$ 152,488,149	\$ 152,908,943
Receivables		
Taxes	73,847,526	71,185,490
Special assessments	884,940	1,004,341
Housing/Economic development loans	11,998,363	11,949,796
Customers	5,662,284	5,437,744
Interfund	7,794,697	9,713,780
Other	683,860	688,784
Inventories and prepaids	3,978,234	3,088,566
Capital assets	513,294,349	491,500,179
Accumulated depreciation	(145,978,485)	(138,058,341)
Net pension asset	-	526,869
Amount to be provided for long-term obligations	<u>79,585,623</u>	<u>85,214,982</u>
TOTAL ASSETS	704,239,540	695,161,133
DEFERRED OUTFLOWS OF RESOURCES		
Wisconsin Retirement System pension	<u>2,059,530</u>	<u>580,808</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 706,299,070</u>	<u>\$ 695,741,941</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY AND OTHER CREDITS</u>		
LIABILITIES		
Payables	\$ 11,010,975	\$ 10,540,675
Interfund payables	7,794,697	9,713,780
Due to other governments	53,592,019	54,008,086
Unearned revenue	12,739,791	12,438,121
Debt	65,063,203	71,841,989
Compensated absences	2,537,689	2,570,935
Post-retirement benefits	17,400,708	16,440,958
Net pension liability	<u>362,594</u>	<u>-</u>
TOTAL LIABILITIES	<u>170,501,676</u>	<u>177,554,544</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue		
Tax roll	45,530,314	43,709,091
Special assessments	890,344	1,009,216
Wisconsin Retirement System pension	<u>765,359</u>	<u>-</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>47,186,017</u>	<u>44,718,307</u>
EQUITY AND OTHER CREDITS		
Investment in governmental capital assets	216,782,267	207,970,458
Retained earnings		
Enterprise Funds	175,157,982	167,949,427
Internal Service	17,181,016	15,066,197
General fund balance	26,772,282	25,209,392
Other fund balances	<u>52,717,830</u>	<u>57,273,616</u>
TOTAL EQUITY AND OTHER CREDITS	<u>488,611,377</u>	<u>473,469,090</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND EQUITY AND OTHER CREDITS	<u>\$ 706,299,070</u>	<u>\$ 695,741,941</u>

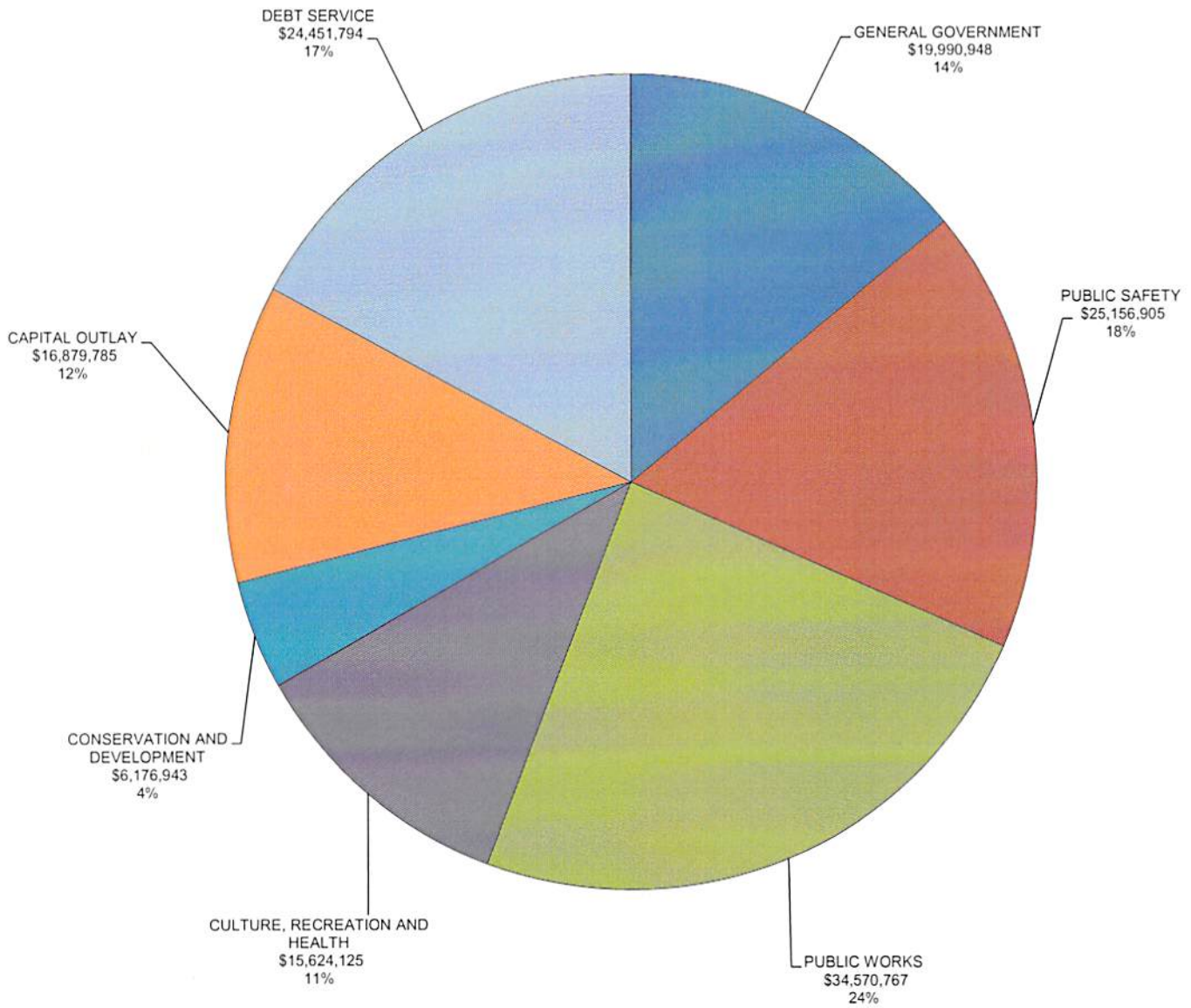
**CITY OF LA CROSSE
REVENUE
2016**
(excluding other financing sources)



**CITY OF LA CROSSE, WISCONSIN
COMBINED STATEMENT OF REVENUE
ALL FUNDS**

	YEAR ENDED DECEMBER 31,	
	2016	2015
Taxes and Special Assessments		
Property	\$ 34,780,508	\$ 34,150,115
Tax increments	8,575,853	8,802,877
Room	2,206,932	1,708,404
Payments in lieu of taxes	928,167	841,044
Special assessments	310,160	322,434
Other	295,802	235,835
Intergovernmental		
Federal	3,790,054	3,935,138
State	18,991,578	19,927,756
Other	45,362	786,115
Licenses, Permits, Fines, Forfeits, and Penalties	3,716,445	2,796,618
Charges for Services		
Airport	3,583,549	3,444,094
Civic Center	4,036,027	3,951,887
Self-Insurance	16,103,276	15,051,307
Parking	1,658,279	1,700,417
Transit	869,384	845,326
Water	4,858,822	4,844,845
Sewer	6,809,668	6,660,474
Stormwater	2,277,717	2,296,754
Local Department	2,304,190	2,234,157
Other	5,705,746	5,331,609
Miscellaneous Revenue		
Interest	995,923	567,264
Donations	1,784,370	2,831,576
Loan repayments	543,732	924,655
Other	7,639,977	10,639,819
TOTAL REOCCURRING REVENUE	132,811,521	134,830,520
OTHER FINANCING SOURCES		
Proceeds from debt	15,370,000	7,632,423
Transfers from other funds	44,590,515	42,635,644
TOTAL REVENUE AND OTHER FINANCING SOURCES	\$ 192,772,036	\$ 185,098,587

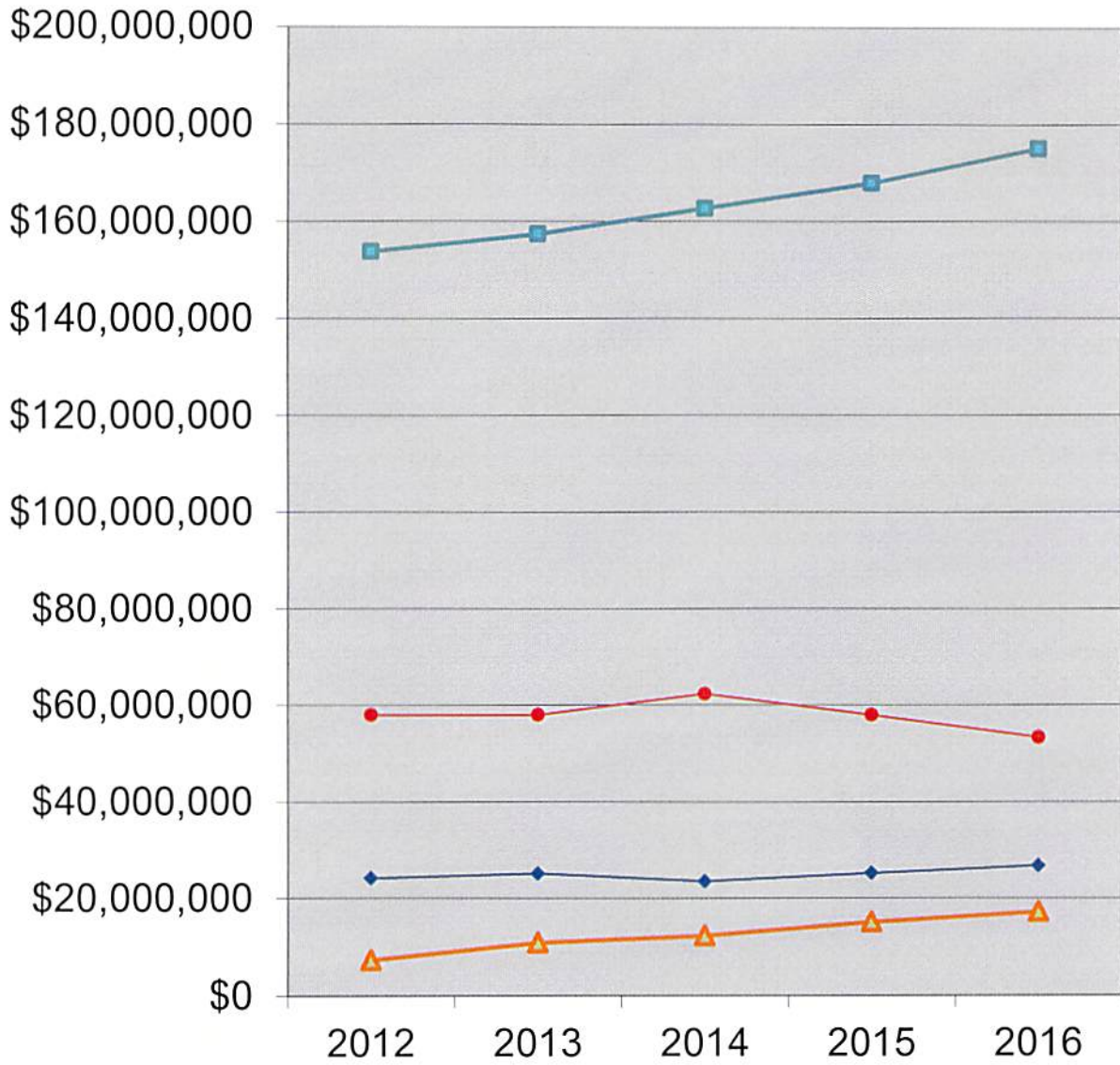
**CITY OF LA CROSSE
EXPENDITURES
2016**
(excluding other financing uses)



CITY OF LA CROSSE, WISCONSIN
COMBINED STATEMENT OF EXPENDITURES
ALL FUNDS

	YEAR ENDED DECEMBER 31,	
	2016	2015
General Government		
Administration	\$ 3,485,016	\$ 3,346,839
Insurance	14,631,958	15,453,789
Legal	378,335	364,685
Buildings	609,757	580,067
Other	800,283	572,356
Public Safety		
Police	12,895,965	12,553,221
Fire	11,470,214	11,400,956
Inspections	785,726	749,881
Other	5,000	-
Public Works		
Sewer service	6,203,683	6,114,287
Water service	5,022,463	5,065,396
Parking	2,540,146	2,225,366
Sanitation	2,422,035	2,332,508
Stormwater	869,394	841,794
Streets	8,178,012	8,308,114
Airport	3,584,586	3,507,519
Transit	5,750,448	5,514,115
Culture, Recreation, and Health		
Park and recreation	5,507,933	5,799,900
Library	5,355,792	5,734,119
La Crosse Center	4,416,667	4,266,338
Health	343,733	324,780
Conservation and Development	6,176,943	5,770,822
Debt Services		
Interest and fiscal charges	2,138,008	2,859,528
Principal on governmental debt	22,313,786	13,842,334
Bad Debts	85,599	113,745
TOTAL REOCCURRING EXPENDITURES	125,971,482	117,642,459
Capital Outlay		
General government	1,572,821	1,193,688
Public safety	2,090,870	5,292,850
Public works	9,703,660	4,854,304
Recreation, education, and culture	1,079,654	3,439,789
Conservation and development	2,432,780	5,624,775
Other Financing Uses		
Operating transfers out	43,627,595	41,660,318
TOTAL EXPENDITURES	\$ 186,478,862	\$ 179,708,183

CITY OF LA CROSSE FUND EQUITY 2012 - 2016



**CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CHANGES IN EQUITY
ALL FUNDS**

	EQUITY JANUARY 1, 2016	REVENUE	EXPEN- DITURES	EQUITY DECEMBER 31, 2016
General Fund	\$ 25,209,392	\$ 74,953,593	\$ 73,390,703	\$ 26,772,282
Special Revenue Funds				
Green Island	489,843	14,555	14,602	489,796
Auditorium	1,458,025	3,158,604	2,944,886	1,671,743
HUD Programs	1,756,916	2,847,828	3,311,431	1,293,313
Industrial Park	344,503	11,233	222,153	133,583
Passenger Facility Charge	971,705	410,468	447,165	935,008
County Contribution for Airport	100,927	-	-	100,927
Police Grants	682,783	980,712	987,583	675,912
Library Special Funds	1,974,602	330,993	243,343	2,062,252
Municipal Court	45,132	746,809	741,408	50,533
Transit	63,870	5,696,595	5,721,580	38,885
Other	13,144,414	7,380,301	8,638,332	11,886,383
Capital Project Funds				
TIF #5	-	233,219	222,864	10,355
TIF #6	211,248	2,024,259	2,281,377	(45,870)
TIF #7	804,850	309,298	455,068	659,080
TIF #8	1,882	104,564	425	106,021
TIF #9	3,509,676	580,864	1,083,981	3,006,559
TIF #10	(233,408)	52,211	7,972	(189,169)
TIF #11	1,827,303	4,691,128	7,337,463	(819,032)
TIF #12	(16,152)	604,758	592,602	(3,996)
TIF #13	62,404	1,529,215	1,476,205	115,414
TIF #14	6,551,606	2,620,222	2,390,893	6,780,935
TIF #15	627,869	601,583	40,571	1,188,881
TIF #16	(1,232,180)	1,109,388	6,919	(129,711)
TIF #17	(6,887)	-	243	(7,130)
Capital Equipment	2,099,485	1,604,069	1,229,009	2,474,545
Special Assessments	1,005,837	328,712	301,425	1,033,124
Bonded Capital Projects	15,289,773	8,789,291	9,797,326	14,281,738
State Highway Land	612,244	350	220,460	392,134
Bluffland Preservation	15,122	9	14,611	520
Capital Improvement Program	37,890	-	6,982	30,908
Debt Service Fund	5,072,334	24,926,925	25,505,070	4,494,189
Enterprise Funds				
Municipal Airport	58,631,630	11,318,479	6,517,140	63,432,969
Parking Utility	32,262,756	1,835,838	2,671,840	31,426,754
Water Utility	30,684,070	6,184,988	5,056,265	31,812,793
Sewer Utility	38,450,715	7,203,505	6,540,007	39,114,213
Stormwater Utility	7,313,946	2,588,310	1,137,443	8,764,813
Sanitary Sewer Utility	606,310	75,791	75,661	606,440

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CHANGES IN EQUITY - Continued
ALL FUNDS

	<u>EQUITY JANUARY 1, 2016</u>	<u>REVENUE</u>	<u>EXPENDI- TURES</u>	<u>EQUITY DECEMBER 31, 2016</u>
Internal Services Funds				
Liability Self-Insurance	\$ 432,339	\$ 127,296	\$ 171,377	\$ 388,258
Workers' Compensation Self-Insurance	376,158	945,651	311,460	1,010,349
Stockroom	150,900	3,259	11,996	142,163
Employees' Health Self-Insurance	12,273,313	15,050,613	13,544,647	13,779,279
Health Cost Containment	4,310	16,937	21,247	-
Fuel Management	1,829,177	33,598	1,808	1,860,967
Trust Funds				
Private-Purpose Trusts	280,788	18,313	31,431	267,670
Employee Benefit Trusts	301,556	443,976	468,347	277,185
Workers' Compensation CVMIC	<u>23,959</u>	<u>283,726</u>	<u>283,541</u>	<u>24,144</u>
TOTAL	<u>\$ 266,104,935</u>	<u>\$ 192,772,036</u>	<u>\$ 186,478,862</u>	<u>\$ 272,398,109</u>

CITY OF LA CROSSE, WISCONSIN
OTHER FINANCIAL INFORMATION
DECEMBER 31, 2016

FINANCIAL STATEMENTS

Independent Auditors' Report - An *unmodified, "clean" auditors' opinion* was issued on the City's financial statements. Our opinion states that we found your statements present fairly, in all material respects, the financial activity of the City.

Long-Term Debt - The City's general obligation long-term debt balance at December 31, 2016, was \$63.4 million, which is below the state statute limit of \$172.8 million.

Tax Incremental Financing Districts - The City has thirteen active TIF Districts that collected \$8.5 million in tax increments in 2016. These TIF Districts will require an additional \$69.5 million of tax increments to recoup project cost. District termination dates range from 2019-2035.

Auditors' Reports on Compliance and Internal Control Over Financial Reporting - These reports conclude that the City's internal controls appear adequate for a City of your size and we did not identify any material compliance violations.

OTHER REPORTS ISSUED

Federal and State Single Audit Reports - We expect to issue an *unmodified, "clean" auditors' opinion* on the City's federal and state programs. We are in the process of finishing the single audit. We had problems getting information from the Bureau of Aeronautics for the airport projects.

Financial Report Form C - We issued an *unmodified, "clean" auditors' opinion* on the City's Wisconsin Department of Revenue Financial Report Form C.

Tax Incremental Financing District Report - This report summarizes the activities and status of your thirteen TIF Districts.

Communications With the Audit Committee - This report discusses the scope and limitations of a financial audit and communicates any problems we had during the audit process.