

**CITY OF LA CROSSE, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2021**

# 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, 2021, 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, 2021, 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.

## ***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 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 September 20, 2022 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  
September 20, 2022

**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, 2021**

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, 2021. 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.

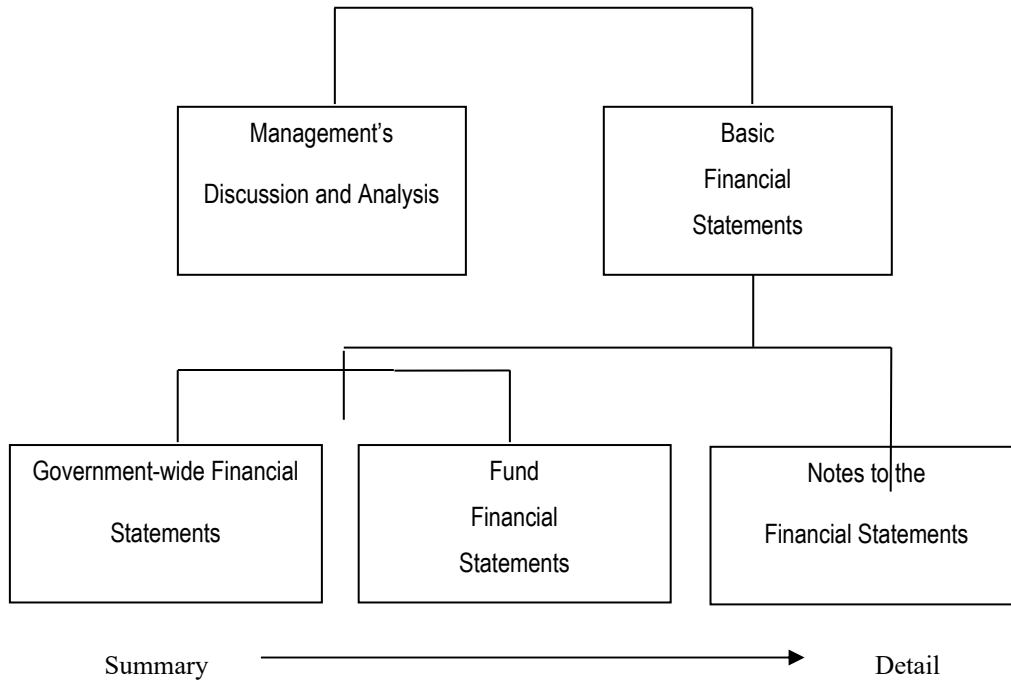
- The assets of the City of La Crosse exceeded its liabilities as of December 31, 2021 by \$484,224,237 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$34,303,289.
- As of December 31, 2021, the City of La Crosse's governmental funds reported combined ending fund balances of \$93,126,467 a decrease of \$452,867 in comparison with the prior year. As of December 31, 2021, the unassigned fund balance for the general fund was \$16,068,733 or approximately 28.67% of total general fund expenditures.
- The City of La Crosse's total general obligation debt increased by \$8,969,906 or 7.25% during 2021. This increase is attributable to the planning and financing of future capital improvement projects. The City funded \$19,930,000 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 is 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 of 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 \$484,224,237 as of December 31, 2021. The City's net position increased by \$34,303,289 for the fiscal year ended December 31, 2021. However, the largest portion of the City's net position (83.27%) 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	
	2021	2020	2021	2020	2021	2020
Assets, net of Capital Assets	\$ 217,735	\$195,513	\$ 94,764	\$ 32,342	\$ 312,499	\$227,855
Capital Assets not Depreciated	102,313	82,610	55,013	45,230	157,326	127,840
Capital Assets, net of Depreciation	210,923	197,496	157,712	155,211	368,635	352,707
<b>TOTAL ASSETS</b>	<b>\$ 530,971</b>	<b>\$475,619</b>	<b>\$307,489</b>	<b>\$232,783</b>	<b>\$ 838,460</b>	<b>\$708,402</b>
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	34,418	26,020	3,016	2,349	37,434	28,369
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 565,389</b>	<b>\$501,639</b>	<b>\$310,505</b>	<b>\$235,132</b>	<b>\$ 875,894</b>	<b>\$736,771</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET						
LIABILITIES						
<b>TOTAL LIABILITIES</b>	<b>\$ 184,987</b>	<b>\$158,905</b>	<b>\$ 97,870</b>	<b>\$ 29,931</b>	<b>\$ 282,857</b>	<b>\$188,836</b>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Tax Roll	\$ 51,541	\$ 48,718	\$ 144	\$ 140	\$ 51,685	\$ 48,858
Wisconsin Retirement System Pension/OPEB	52,375	44,793	4,753	4,363	57,128	49,156
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 103,916</b>	<b>\$ 93,511</b>	<b>\$ 4,897</b>	<b>\$ 4,503</b>	<b>\$ 108,813</b>	<b>\$ 98,014</b>
NET POSITION						
Net Investment in Capital Assets	\$ 217,824	\$187,163	\$185,387	\$178,523	\$ 403,211	\$365,686
Restricted For:						
Special Revenue	606	-	-	-	606	-
Debt Service	16,269	20,891	-	-	16,269	20,891
Capital Projects	41,012	45,058	2,948	1,648	43,960	46,706
Other Activities	17,897	9,140	1,432	725	19,329	9,865
Unrestricted	(17,122)	(13,029)	17,971	19,801	849	6,772
<b>TOTAL NET POSITION</b>	<b>\$ 276,486</b>	<b>\$249,223</b>	<b>\$207,738</b>	<b>\$200,697</b>	<b>\$ 484,224</b>	<b>\$449,920</b>

An additional portion of the City's net position of \$80,164,910 (16.55%) represents resources that are subject to external restrictions on how they may be used.

The City's total net position increased \$34,303,289 during the year. This increase was comprised of an increase in business type activities of \$7,040,670 and an increase in the governmental type activities of \$27,262,619 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 \$27,262,619. Key elements of this increase are:

- Revenues began to recover in 2021 versus 2020 coming out of the pandemic. Grants and contributions increased over \$4,000,000 and accounted for half of the growth in revenue from 2021 versus 2020. There was also an increase in Charges for Service revenue of over \$2,000,000 and an increase in tax revenue of over \$3,500,000. Tax Increment Financing Capital Funds increased in net position by \$20,000,000 due to increased investment in capital assets. This combined with minimal increase of expenditures from 2021 versus 2020 of \$2,200,000 comprises the majority of the increase to net position.
- Departments were required to keep 2021 budgets at 2020 levels unless increases were justified and approved by the Council and many were asked to cut their budgets. The overall budgeted operating expenditures in 2021 decreased by over \$1,200,000 in various departments, mostly due to a reduction in staff.
- Actual expenditures for 2021 increased over \$2,000,000 compared to 2020. This was still over \$7,800,000 below the pre-pandemic spending levels of 2019, while the revenue was over \$9,000,000 higher when compared to 2019.
- 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.

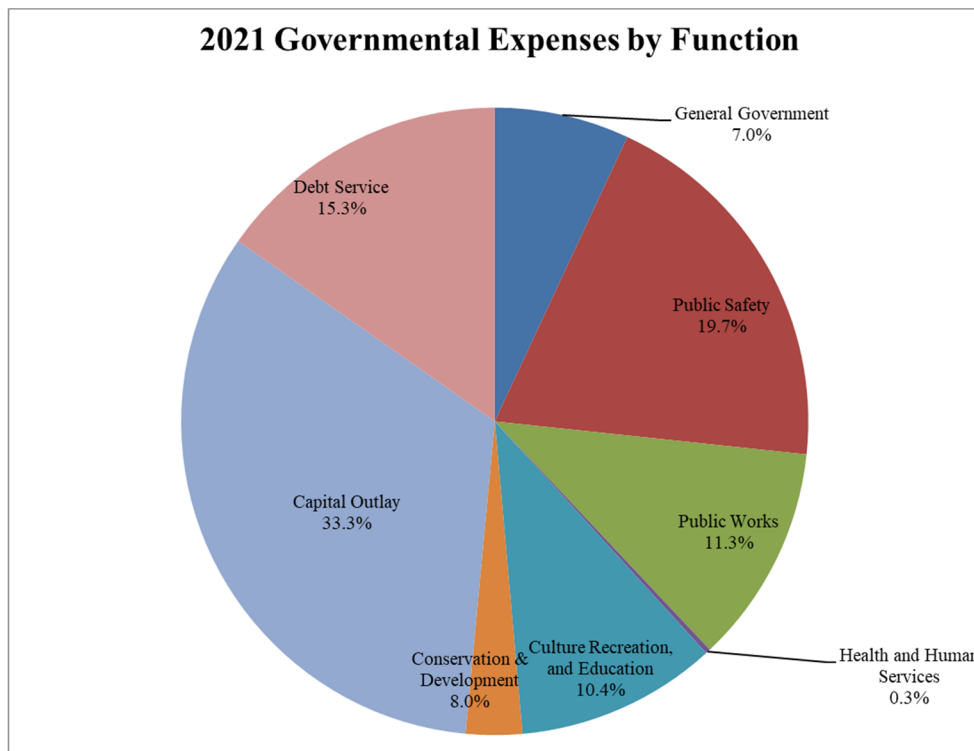
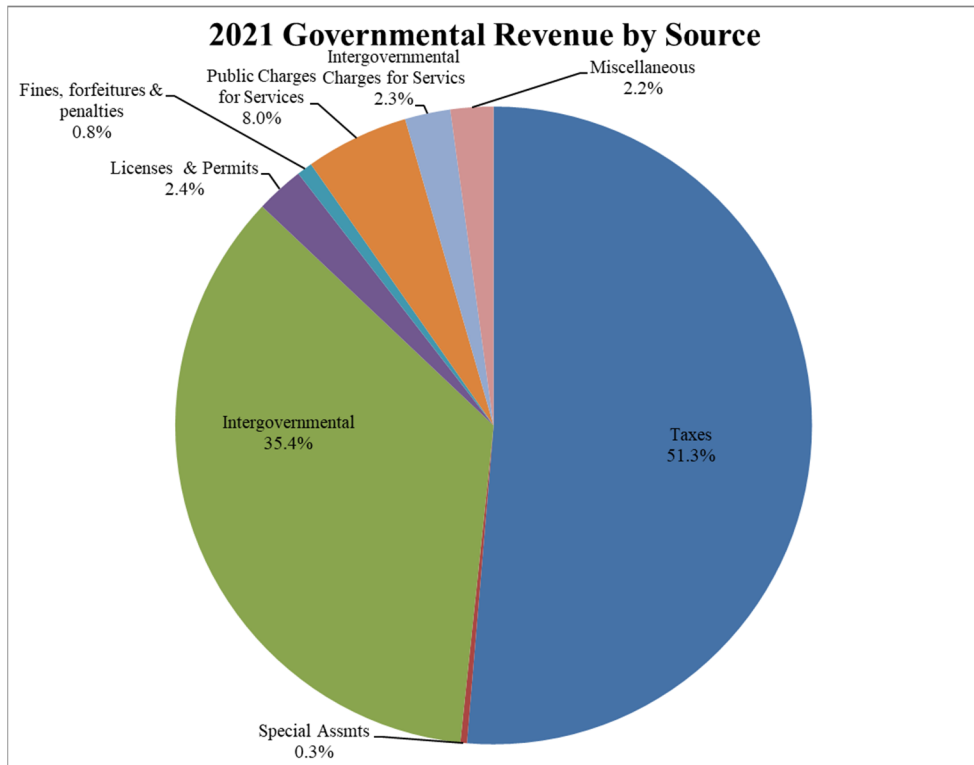
The following table represents the City's summarized operating results and their impact on net assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2021	2020	2021	2020	2021	2020
<b>Revenues:</b>						
Program Revenues:						
Charges for Services	\$ 10,702	\$ 8,611	\$ 23,809	\$ 21,750	\$ 34,511	\$ 30,361
Grants & Contributions	23,645	19,554	2,943	5,045	26,588	24,599
General Revenues:						
Taxes	52,805	49,202	-	-	52,805	49,202
State Shared Revenue	13,773	13,696	-	-	13,773	13,696
Interest and investment income	456	1,902	296	262	752	2,164
Miscellaneous	2,867	3,152	133	112	3,000	3,264
<b>Total Revenues</b>	<b>\$104,248</b>	<b>\$ 96,117</b>	<b>\$ 27,181</b>	<b>\$ 27,169</b>	<b>\$131,429</b>	<b>\$ 123,286</b>
<b>Expenses:</b>						
General Government	\$ 12,088	\$ 9,626	\$ -	\$ -	\$ 12,088	\$ 9,626
Public Safety	22,744	25,374	-	-	22,744	25,374
Public Works	20,762	20,653	-	-	20,762	20,653
Health and Human Services	190	192	-	-	190	192
Culture, Recreation and Education	14,767	12,911	-	-	14,767	12,911
Conservation & Development	3,910	3,866	-	-	3,910	3,866
Principal, Interest & Fiscal Charges	2,471	2,082	-	-	2,471	2,082
Airport	-	-	4,147	4,344	4,147	4,344
Parking	-	-	3,283	3,599	3,283	3,599
Water	-	-	4,246	3,748	4,246	3,748
Sanitary Sewer	-	-	7,360	6,582	7,360	6,582
Storm Water	-	-	1,091	1,663	1,091	1,663
Other Business-type Activities	-	-	67	69	67	69
<b>Total Expenses</b>	<b>\$ 76,932</b>	<b>\$ 74,704</b>	<b>\$ 20,194</b>	<b>\$ 20,005</b>	<b>\$ 97,126</b>	<b>\$ 94,709</b>
Change in Net Position before Transfers	\$ 27,316	\$ 21,413	\$ 6,987	\$ 7,164	\$ 34,303	\$ 28,577
Transfers	(53)	159	53	(159)	-	-
Change in Net Position	\$ 27,263	\$ 21,572	\$ 7,040	\$ 7,005	\$ 34,303	\$ 28,577
Net Position, beginning of year	249,223	227,531	200,697	193,692	449,920	421,223
Prior Period Adjustment	-	(602)	-	-	-	(602)
Equity Transfers	-	722	-	-	-	722
<b>Net Position, end of year</b>	<b>\$276,486</b>	<b>\$ 249,223</b>	<b>\$207,737</b>	<b>\$200,697</b>	<b>\$484,223</b>	<b>\$ 449,920</b>

Governmental Activities expenditures were higher for 2021 compared to 2020 by over \$2,000,000, generally due to facilities and programs opening back up throughout the latter part of the year.

The following two charts represent revenues by source and expenses by function for the City's Governmental Activities for 2021.



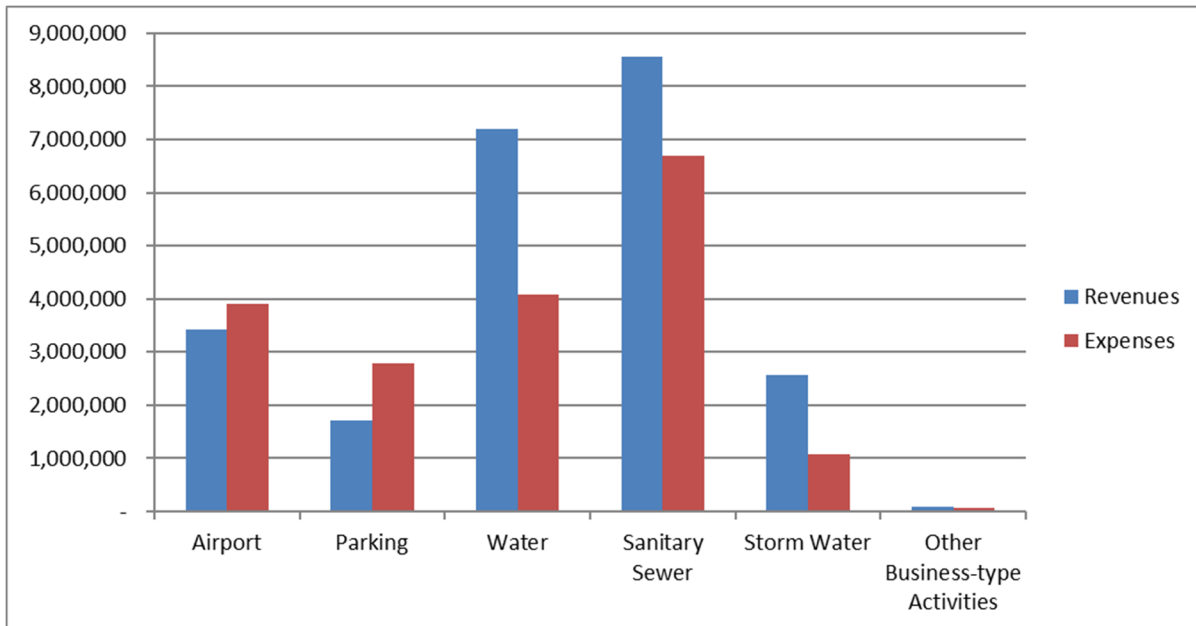
## Business-type Activities

Business-type activities increased the City's net position by \$7,512,260. 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 2021 for the City's Business-Type Activities.

### City of La Crosse, Wisconsin – 2021 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, 2021, the City of La Crosse's governmental funds reported combined ending fund balances of \$93,126,467. Of this amount \$19,513,829 is attributable to the General Fund balance and is designated as follows: \$3,445,096 or approximately 17.65% is designated as Nonspendable; \$16,068,733 or approximately 82.35% is designated as Unassigned.

This Unassigned fund balance represents approximately 28.67% of total general fund expenditures for 2021. The total general fund balance increased by \$885,742 in fiscal year 2021. Actual expenditures exceeded final amended budgeted expenditures by approximately (\$228,765) (-0.41%). Actual revenue sources exceeded the final amended budgeted revenues in the general fund by \$763,932 (1.36%)

The actual revenues were higher than budgeted primarily due to:

- The La Crosse Center received multiple unbudgeted grants totaling \$2,370,499 that were recorded in the General Fund
- There was an unbudgeted land sale of \$1,310,537.

The major budget variances in the expenditure category are:

- Public Safety underspent its budget by \$772,273.
- Public Works underspent its budget by \$717,248 due to increased revenue from grants.
- General Government overspent its collective departmental budgets by \$743,654.
- Capital outlay overspent its budget by \$736,288
- Culture, recreation, and education exceeded its collective budget by \$229,018

## 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	
	2021	2020	2021	2020
Airport	\$ 74,200	\$ 73,149	\$ 1,051	\$ 2,931
Parking	34,833	34,982	(149)	(937)
Water Utility	36,122	33,929	2,193	2,300
Sewer Utility	40,807	39,195	1,612	1,561
Storm Water Utility	18,448	15,660	2,788	893
Sanitary Sewer District	646	629	17	9
Total	\$205,056	\$197,544	\$ 7,512	\$ 6,757

## General Fund Budgetary Highlights

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

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

Actual revenues and other sources including transfers in and out were more than budgeted revenues by \$763,932 with a primary driver of that increase driven by unbudgeted land sales of \$1,310,537. Actual expenditures were over expenditure budgets by \$228,765.

Revenues exceeded budgetary estimates and expenditures came in over budget; the City's General Fund "Unassigned" balance increased by \$1,293,520. The City's General Fund-fund balance is 34.81% of 2021 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, 2021, is \$403,210,939 (net of accumulated depreciation), an increase of \$37,525,249 (10.26%). 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 \$30,660,658 (16.38%) increase for governmental activities and a \$6,864,591 (3.85%) increase for business-type activities.

The following capital improvement projects for 2021 are contained and financed in the City's 2021-2025 five-year Capital Improvement Program budget:

- Airport facility and runway upgrades – approximately \$2,402,000.
- Capital Equipment purchases for various departments - approximately \$4,837,973.
- Various Park projects - approximately \$3,954,000.
- Continuing upgrades to the Sanitary Sewer infrastructure - approximately \$64,081,000. The major project being the upgrade of the waste water treatment plant funding \$62,000,000 of the project to include upgrades of current buildings and construction of new buildings to expand and improve the processes performed by the Sanitary Sewer Utility for state compliance.
- Storm water improvement projects - approximately \$2,133,000.
- Water improvement projects – approximately \$278,000
- Various street and streetscaping improvement projects - approximately \$13,487,838. Major projects include the reconstruction of 5 roads (Airport Rd, Gillette St, Commerce St, Main St, and 20<sup>th</sup> St S)
- Various Economic Development and Housing projects – approximately \$22,241,930. The major project in economic development is the development of Riverside Point District for \$19.1 Million.
- Various City Facilities Improvement projects – approximately \$6,558,364. Major projects including funding towards the construction of a new fire station and rehab of existing fire station \$3,237,364, Renovation of City Hall Lobby and Chambers \$1,140,00, funding towards a remodel of the Police Department \$1,000,000.

## The City of La Crosse, Wisconsin's Capital Assets

(in thousands of dollars)

	Governmental		Business-Type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Land and Land Improvements	\$ 13,029	\$ 13,029	\$ 7,822	\$ 8,692	\$ 20,851	\$ 21,721
Buildings and Improvements	89,517	85,847	44,938	43,013	134,455	128,860
Machinery and Equipment	67,308	61,168	17,133	15,302	84,441	76,470
Infrastructure/systems	164,585	156,330	173,459	170,048	338,044	326,378
Construction in Progress	89,284	69,581	51,176	40,524	140,460	110,105
Less: Accumulated Depreciation	(110,487)	(105,850)	(81,803)	(77,138)	(192,290)	(182,988)
Total	<u>\$313,236</u>	<u>\$280,105</u>	<u>\$212,725</u>	<u>\$200,441</u>	<u>\$525,961</u>	<u>\$480,546</u>

### 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 2021 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$132,623,685 entirely backed by the full faith and credit of the government. This represents an increase of \$8,969,906 compared to the total general obligation debt outstanding as of the end of fiscal year 2020. This increase is due primarily to scheduled borrowing for equipment and capital projects.

In 2021, the City sold five new debt instruments. Issues A and B were dated November 10, 2021. Issue A was for 15-year Corporate Purpose Bonds for \$12,790,000 at a net interest rate of 1.627%. Issue B was for 10-year Promissory Notes for \$7,685,000 at a net interest rate of 1.112%. Issue C was dated December 23, 2021 and was for 10-year Promissory Notes for \$2,755,000 at a net interest rate of 1.246%. Series A and B funded a portion of the City's \$119,974,105 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. In addition to various capital projects and equipment, Series B also refunded two outstanding debt issuances, Debt Series 2010-A and Debt Series 2011-A. Series C was for implementing various energy efficiency improvements at various City facilities. The issues were rated AA by Standard & Poor's.

The fourth issue was a 5-year Note Anticipation Note for \$4,235,000 at a net interest rate of 1.680% dated May 3, 2021. This issue was to fund capital improvement projects within a City Tax Increment Financing (TIF) District.

The fifth debt issue was a 3-year Bond Anticipation Note for \$68,263,000 at a net interest rate of 0.950% dated May 21, 2021. This issue was to fund a new City wastewater treatment plant.

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 \$233,628,745 and its outstanding debt subject to State statutory limit at December 31, 2021 is \$132,623,685 or approximately 56.77% of the statutory limit. After calculating the amounts available in the Debt Service Fund of \$17,269,070 which results in a net margin of indebtedness of \$118,274,130.

**State Statutory Debt Limit**

	2021	2020
State Debt Limit (5% of equalized value)	\$ 233,628,745	\$ 216,570,335
Applicable long-term debt	(132,623,685)	(123,653,779)
Amount available in debt service fund	17,269,070	22,290,782
Margin of Indebtness	118,274,130	115,207,338

**City Policy Debt Limit**

	2021	2020
City Debt Limit (75% of State Limit)	\$ 175,221,559	\$ 162,427,751
Applicable long-term debt	(132,623,685)	(123,653,779)
Amount available in debt service fund	17,269,070	22,290,782
Margin of Indebtness	59,866,944	61,064,754

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

- The 2021 unadjusted unemployment rate for the La Crosse MSA was 3.0% compared to the State average of 3.8% and compared to the National average of 5.3%.
- Inflationary trends in the region are comparable to national indices.
- There were 876 building permits issued in 2021 with a value of \$156,065,859 as compared to 970 building permits issued in 2020 with a value of \$59,001,464 and in 2019 984 permits issued with a value of \$153,038,209.

**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, 2021**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>ASSETS</b>				
Cash and investments	\$ 117,752,150	\$ 80,409,142	\$ 198,161,292	\$ 1,070,548
Receivables				
Taxes	52,013,506	697,859	52,711,365	-
Accounts and other	4,430,105	5,439,985	9,870,090	-
Special assessments	714,285	4,528	718,813	-
Loans	10,491,324	-	10,491,324	444,000
Internal balances	(2,940,504)	2,940,504	-	-
Due from other governments	3,160,371	-	3,160,371	-
Inventories	324,838	387,652	712,490	-
Prepays	122,270	499,958	622,228	-
Restricted assets				
Cash and investments	13,769,937	2,948,413	16,718,350	-
Other assets	-	3,375	3,375	-
Wisconsin Retirement System net pension	17,896,696	1,432,233	19,328,929	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	102,313,100	55,012,916	157,326,016	12,140,762
Capital assets being depreciated	210,922,857	157,712,091	368,634,948	-
<b>TOTAL ASSETS</b>	<b>530,970,935</b>	<b>307,488,656</b>	<b>838,459,591</b>	<b>13,655,310</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System pension	29,817,254	2,386,206	32,203,460	-
Wisconsin Retirement System LRLIF	2,564,201	383,785	2,947,986	-
OPEB healthcare	2,036,280	246,527	2,282,807	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>34,417,735</b>	<b>3,016,518</b>	<b>37,434,253</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 565,388,670</b>	<b>\$ 310,505,174</b>	<b>\$ 875,893,844</b>	<b>\$ 13,655,310</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 11,925,296	\$ 4,184,784	\$ 16,110,080	\$ -
Accrued liabilities				
Payroll	1,232,466	160,239	1,392,705	-
Interest	680,251	273,985	954,236	-
Other	370,278	134	370,412	-
Due to other governments	724,839	-	724,839	-
Deposit payable	299,960	-	299,960	-
Unearned revenue - other	11,127,847	-	11,127,847	-
Current portion of long-term obligations	15,261,523	3,183,372	18,444,895	-
Noncurrent portion of long-term obligations	143,364,019	90,067,892	233,431,911	3,000,000
<b>TOTAL LIABILITIES</b>	<b>184,986,479</b>	<b>97,870,406</b>	<b>282,856,885</b>	<b>3,000,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - tax roll	51,540,638	143,701	51,684,339	-
Wisconsin Retirement System pension	39,215,240	3,138,307	42,353,547	-
Wisconsin Retirement System LRLIF	733,731	110,101	843,832	-
OPEB healthcare	12,426,555	1,504,449	13,931,004	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>103,916,164</b>	<b>4,896,558</b>	<b>108,812,722</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	217,823,794	185,387,145	403,210,939	10,000,000
Restricted for				
Special revenue	606,019	-	606,019	-
Debt service	16,269,070	-	16,269,070	-
Capital projects	41,012,479	2,948,413	43,960,892	-
Other activities	17,896,696	1,432,233	19,328,929	-
Unrestricted	(17,122,031)	17,970,419	848,388	655,310
<b>TOTAL NET POSITION</b>	<b>276,486,027</b>	<b>207,738,210</b>	<b>484,224,237</b>	<b>10,655,310</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 565,388,670</b>	<b>\$ 310,505,174</b>	<b>\$ 875,893,844</b>	<b>\$ 13,655,310</b>

The accompanying notes are an integral part of these statements.



**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2021**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			COMPONENT UNIT
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
<b>PRIMARY GOVERNMENT</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ 12,087,490	\$ 2,211,660	\$ 1,545,386	\$ -	\$ (8,330,444)		\$ (8,330,444)	
Public safety	22,744,033	1,481,487	1,899,284	78,173	(19,285,089)		(19,285,089)	
Public works	20,762,297	1,714,063	9,674,346	-	(9,373,888)		(9,373,888)	
Health and human services	190,282	-	-	-	(190,282)		(190,282)	
Culture, recreation and education	14,767,225	4,036,562	8,717,765	8,462	(2,004,436)		(2,004,436)	
Conservation and development	3,909,819	1,258,393	1,720,859	-	(930,567)		(930,567)	
Interest and fiscal charges	2,471,301	-	-	-	(2,471,301)		(2,471,301)	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>76,932,447</b>	<b>10,702,165</b>	<b>23,557,640</b>	<b>86,635</b>	<b>(42,586,007)</b>		<b>(42,586,007)</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>								
Airport	4,147,138	3,374,955	-	1,701,580		\$ 929,397	929,397	
Parking	3,282,211	2,024,114	-	-		(1,258,097)	(1,258,097)	
Water	4,245,795	7,208,056	-	-		2,962,261	2,962,261	
Sewer	7,359,809	8,548,786	-	-		1,188,977	1,188,977	
Storm	1,091,105	2,569,995	-	1,241,560		2,720,450	2,720,450	
Sanitary Sewer District	67,546	82,884	-	-		15,338	15,338	
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>20,193,604</b>	<b>23,808,790</b>	<b>-</b>	<b>2,943,140</b>		<b>6,558,326</b>	<b>6,558,326</b>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 97,126,051</b>	<b>\$ 34,510,955</b>	<b>\$ 23,557,640</b>	<b>\$ 3,029,775</b>	<b>(42,586,007)</b>	<b>6,558,326</b>	<b>(36,027,681)</b>	
<b>COMPONENT UNIT</b>								
Redevelopment Authority	\$ 381,762	\$ -	\$ -	\$ -				\$ (381,762)
<b>GENERAL REVENUE</b>								
Taxes								
Property taxes					48,525,472	-	48,525,472	-
Other taxes					4,279,410	-	4,279,410	-
Intergovernmental revenues not restricted to specific programs					13,772,964	-	13,772,964	-
Interest and investment income					456,161	296,402	752,563	9,985
Miscellaneous					2,867,454	133,107	3,000,561	23,000
Transfers					(52,835)	52,835	-	-
<b>TOTAL GENERAL REVENUE</b>					<b>69,848,626</b>	<b>482,344</b>	<b>70,330,970</b>	<b>32,985</b>
<b>CHANGE IN NET POSITION</b>					<b>27,262,619</b>	<b>7,040,670</b>	<b>34,303,289</b>	<b>(348,777)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>249,223,408</b>	<b>200,697,540</b>	<b>449,920,948</b>	<b>11,004,087</b>
<b>NET POSITION - END OF YEAR</b>					<b>\$ 276,486,027</b>	<b>\$ 207,738,210</b>	<b>\$ 484,224,237</b>	<b>\$ 10,655,310</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**

**FUND FINANCIAL STATEMENTS**

**CITY OF LA CROSSE, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2021**

<u>ASSETS</u>	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	BUILDINGS AND LAND CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and investments	\$ 14,336,624	\$ 13,547,945	\$ 635,312	\$ 16,316,085	\$ 13,431,994	\$ 48,896,908	\$ 107,164,868
Receivables							
Taxes	37,223,138	-	-	-	-	14,561,475	51,784,613
Accounts and other	1,042,062	128,700	2,385,084	212,432	-	347,154	4,115,432
Special assessments	-	-	-	-	-	714,285	714,285
Loan	-	-	7,910,580	1,675,000	-	905,744	10,491,324
Due from other funds	3,523,772	-	-	-	-	737,837	4,261,609
Due from other governments	14,123	-	543,300	-	-	2,602,948	3,160,371
Inventories	32,545	-	-	-	-	170,219	202,764
Prepays	103,180	-	-	-	-	6,092	109,272
Advances to other funds	3,004,111	-	-	1,000,000	-	127,802	4,131,913
<b>TOTAL ASSETS</b>	<b>\$ 59,279,555</b>	<b>\$ 13,676,645</b>	<b>\$ 11,474,276</b>	<b>\$ 19,203,517</b>	<b>\$ 13,431,994</b>	<b>\$ 69,070,464</b>	<b>\$ 186,136,451</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>							
<b>LIABILITIES</b>							
Accounts payable	\$ 1,101,113	\$ 177,376	\$ 319,182	\$ 47,015	\$ 1,504,912	\$ 2,209,958	\$ 5,359,556
Accrued expenses							
Payroll	1,125,171	-	-	-	-	107,295	1,232,466
Other	82,418	-	-	-	-	-	82,418
Due to other funds	-	2,879,943	-	-	-	188,027	3,067,970
Due to other governments	5,122	2,293	-	-	-	717,424	724,839
Deposit payable	234,770	-	3,490	-	-	61,700	299,960
Unearned revenue - other	308,227	10,695,908	10,295,585	1,887,432	21,924	1,424,003	24,633,079
Advances from other funds	-	-	250,000	-	-	5,105,005	5,355,005
<b>TOTAL LIABILITIES</b>	<b>2,856,821</b>	<b>13,755,520</b>	<b>10,868,257</b>	<b>1,934,447</b>	<b>1,526,836</b>	<b>9,813,412</b>	<b>40,755,293</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - tax roll	36,908,905	-	-	-	-	14,631,733	51,540,638
Unavailable revenue - special assessments	-	-	-	-	-	714,053	714,053
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>36,908,905</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,345,786</b>	<b>52,254,691</b>
<b>FUND BALANCES</b>							
Nonspendable	3,445,096	-	-	1,000,000	-	304,113	4,749,209
Restricted	-	-	606,019	16,269,070	11,905,158	29,107,321	57,887,568
Committed	-	-	-	-	-	15,166,138	15,166,138
Unassigned	16,068,733	(78,875)	-	-	-	(666,306)	15,323,552
<b>TOTAL FUND BALANCES</b>	<b>19,513,829</b>	<b>(78,875)</b>	<b>606,019</b>	<b>17,269,070</b>	<b>11,905,158</b>	<b>43,911,266</b>	<b>93,126,467</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 59,279,555</b>	<b>\$ 13,676,645</b>	<b>\$ 11,474,276</b>	<b>\$ 19,203,517</b>	<b>\$ 13,431,994</b>	<b>\$ 69,070,464</b>	<b>\$ 186,136,451</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2021**

Fund balances - total governmental funds		\$ 93,126,467
<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	\$ 423,722,961	
Governmental accumulated depreciation	<u>(110,487,004)</u>	313,235,957
Some revenues are unearned in the funds because they are not available to pay current period's expenditures:		
Special assessments to be collected after year end		14,263,765
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.		10,329,180
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.		(10,390,275)
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		15,226,726
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	\$ (113,476,013)	
Premium	(3,470,543)	
Accrued interest	(680,251)	
Vested employee benefits	(2,159,608)	
Wisconsin Retirement System OPEB liability	(5,865,033)	
Net OPEB liability	<u>(33,654,345)</u>	(159,305,793)
<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 276,486,027</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	BUILDINGS AND LAND CAPITAL PROJECTS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>							
Taxes	\$ 36,555,926	\$ -	\$ -	\$ 1,239,327	\$ -	\$ 15,009,629	\$ 52,804,882
Special assessment	-	-	-	-	-	341,847	341,847
Intergovernmental	18,746,816	440,533	1,630,648	-	5,082,986	10,481,024	36,382,007
Licenses and permits	1,697,724	-	-	-	-	818,518	2,516,242
Fines, forfeits and penalties	7,616	-	-	-	-	798,721	806,337
Public charges for services	685,487	-	1,625,281	-	-	3,080,900	5,391,668
Intergovernmental charges for services	1,866,383	-	-	-	-	507,195	2,373,578
Miscellaneous	580,370	13,664	60,418	161,195	135,416	1,911,151	2,862,214
Change in fair value of investments	(589,598)	-	-	-	-	(31,207)	(620,805)
<b>TOTAL REVENUE</b>	<u>59,550,724</u>	<u>454,197</u>	<u>3,316,347</u>	<u>1,400,522</u>	<u>5,218,402</u>	<u>32,917,778</u>	<u>102,857,970</u>
<b>EXPENDITURES</b>							
Current							
General government	8,290,429	196,754	-	40,924	66,350	792,247	9,386,704
Public safety	25,789,168	336,137	-	-	-	519,866	26,645,171
Public works	9,459,756	-	-	-	-	5,789,660	15,249,416
Health and human services	154,427	-	-	-	-	190,282	344,709
Culture, recreation and education	11,048,136	-	-	-	-	2,950,597	13,998,733
Conservation and development	432,722	535	2,676,517	-	-	806,084	3,915,858
Debt service							
Principal	-	-	-	17,794,168	-	171,590	17,965,758
Interest	-	-	-	2,333,229	-	33,548	2,366,777
Other	-	-	-	209,507	-	59,500	269,007
Capital outlay	875,788	-	-	-	21,852,450	22,186,167	44,914,405
<b>TOTAL EXPENDITURES</b>	<u>56,050,426</u>	<u>533,426</u>	<u>2,676,517</u>	<u>20,377,828</u>	<u>21,918,800</u>	<u>33,499,541</u>	<u>135,056,538</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>3,500,298</u>	<u>(79,229)</u>	<u>639,830</u>	<u>(18,977,306)</u>	<u>(16,700,398)</u>	<u>(581,763)</u>	<u>(32,198,568)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Operating transfers in	4,332,807	-	-	9,298,035	177,935	8,906,797	22,715,574
Operating transfers (out)	(9,072,339)	-	-	-	(3,178,101)	(10,517,969)	(22,768,409)
Sale of capital assets	1,353,949	-	-	234,657	29,450	103,133	1,721,189
Issuance of long-term debt	771,027	-	-	3,385,321	9,875,817	15,007,601	29,039,766
Premium on long-term debt	-	-	-	1,037,581	-	-	1,037,581
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<u>(2,614,556)</u>	<u>-</u>	<u>-</u>	<u>13,955,594</u>	<u>6,905,101</u>	<u>13,499,562</u>	<u>31,745,701</u>
<b>NET CHANGE IN FUND BALANCE</b>	885,742	(79,229)	639,830	(5,021,712)	(9,795,297)	12,917,799	(452,867)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>18,628,087</u>	<u>354</u>	<u>(33,811)</u>	<u>22,290,782</u>	<u>21,700,455</u>	<u>30,993,467</u>	<u>93,579,334</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,513,829</u>	<u>\$ (78,875)</u>	<u>\$ 606,019</u>	<u>\$ 17,269,070</u>	<u>\$ 11,905,158</u>	<u>\$ 43,911,266</u>	<u>\$ 93,126,467</u>

The accompanying notes are an integral part of these statements.

## CITY OF LA CROSSE, WISCONSIN

### CONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES YEAR ENDED DECEMBER 31, 2021

Net change in fund balances - total governmental funds		\$ (452,867)
<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	\$ 44,914,405	
Less noncapitalized outlay	(4,373,178)	
Depreciation expense reported in the statement of activities	(6,852,942)	
Less cost of capital assets disposed	<u>(557,645)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		33,130,640
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.		
		(29,039,766)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
This year the accrual of these benefits decreased by:		236,374
Certain revenues are unavailable in the governmental funds because they are not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year:		
		(331,258)
Wisconsin Retirement System pension asset, deferred outflows of resources, and deferred inflows of resources changes:		
		5,292,409
Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes:		
		(774,137)
Other post employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes:		
		4,981,585
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:		\$ 17,965,758
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:		(784,640)
Net change due to internal services funds incorporated into the statement of activities:	\$ (3,344,611)	
Transfers from business-type funds for internal service fund activity:	<u>471,590</u>	(2,873,021)
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	\$ 2,236,335	
The amount of interest and other debt costs accrued during the current period	<u>(2,324,793)</u>	
Interest paid is less than interest accrued by:		<u>(88,458)</u>
<b>Change in net position - governmental activities</b>		<b><u>\$ 27,262,619</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2021**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	NONMAJOR STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and investments	\$ 4,479,075	\$ 2,668,512	\$ 60,494,742	\$ 7,483,800	\$ 4,993,792	\$ 289,221	\$ 80,409,142	\$ 24,342,578
Accounts receivable								-
Customer	201,698	763,219	1,525,372	1,334,510	1,438,988	59,444	5,323,231	314,673
Other	-	3,015	43,022	54,811	15,906	-	116,754	-
Taxes	-	143,700	200,595	276,519	77,045	-	697,859	-
Inventories	11,604	-	6	376,042	-	-	387,652	122,074
Prepays	497,302	401	1,014	922	319	-	499,958	12,998
Restricted cash								
Cash	912,426	-	1,841,955	136,655	57,377	-	2,948,413	14,641
<b>TOTAL CURRENT ASSETS</b>	<u>6,102,105</u>	<u>3,578,847</u>	<u>64,106,706</u>	<u>9,663,259</u>	<u>6,583,427</u>	<u>348,665</u>	<u>90,383,009</u>	<u>24,806,964</u>
<b>NONCURRENT ASSETS</b>								
Capital assets (net of accumulated depreciation)								
Capital assets not being depreciated	31,070,367	3,774,886	15,939,739	1,144,157	3,083,767	-	55,012,916	-
Capital assets being depreciated	41,067,866	41,450,529	35,438,216	29,916,905	9,541,268	297,307	157,712,091	-
<b>NET CAPITAL ASSETS</b>	<u>72,138,233</u>	<u>45,225,415</u>	<u>51,377,955</u>	<u>31,061,062</u>	<u>12,625,035</u>	<u>297,307</u>	<u>212,725,007</u>	<u>-</u>
Other assets								
Special assessments receivable	-	-	-	4,528	-	-	4,528	-
Wisconsin Retirement System net pension	261,722	185,458	410,703	447,940	126,410	-	1,432,233	-
Other property	-	-	-	3,375	-	-	3,375	-
Advances to other funds	-	1,000,000	20,728	202,364	-	-	1,223,092	-
<b>TOTAL OTHER ASSETS</b>	<u>261,722</u>	<u>1,185,458</u>	<u>431,431</u>	<u>658,207</u>	<u>126,410</u>	<u>-</u>	<u>2,663,228</u>	<u>-</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>72,399,955</u>	<u>46,410,873</u>	<u>51,809,386</u>	<u>31,719,269</u>	<u>12,751,445</u>	<u>297,307</u>	<u>215,388,235</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>78,502,060</u>	<u>49,989,720</u>	<u>115,916,092</u>	<u>41,382,528</u>	<u>19,334,872</u>	<u>645,972</u>	<u>305,771,244</u>	<u>24,806,964</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Wisconsin Retirement System pension	436,048	308,987	684,262	746,302	210,607	-	2,386,206	-
Wisconsin Retirement System LRLIF	1,442	11,577	212,409	105,255	53,102	-	383,785	-
OPEB healthcare	29,431	40,171	55,855	121,070	-	-	246,527	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>466,921</u>	<u>360,735</u>	<u>952,526</u>	<u>972,627</u>	<u>263,709</u>	<u>-</u>	<u>3,016,518</u>	<u>-</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS       OF RESOURCES</b>	<u>\$ 78,968,981</u>	<u>\$ 50,350,455</u>	<u>\$ 116,868,618</u>	<u>\$ 42,355,155</u>	<u>\$ 19,598,581</u>	<u>\$ 645,972</u>	<u>\$ 308,787,762</u>	<u>\$ 24,806,964</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, 2021**

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	NONMAJOR STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 62,380	\$ 14,170	\$ 3,199,737	\$ 191,661	\$ 716,836	\$ -	\$ 4,184,784	\$ 6,565,740
Accrued liabilities								-
Payroll	29,640	17,431	52,213	40,717	20,238	-	160,239	-
Interest	28,718	112,358	132,909	-	-	-	273,985	-
Other	-	-	-	-	-	134	134	287,860
Due to other funds	-	-	-	964,746	-	-	964,746	-
Unearned revenue - other	-	-	-	-	-	-	-	44,480
Current portion of long-term obligations	531,150	721,045	1,548,163	383,014	-	-	3,183,372	-
<b>TOTAL CURRENT LIABILITIES</b>	<u>651,888</u>	<u>865,004</u>	<u>4,933,022</u>	<u>1,580,138</u>	<u>737,074</u>	<u>134</u>	<u>8,767,260</u>	<u>6,898,080</u>
<b>NONCURRENT LIABILITIES</b>								
Long-term obligations	3,362,916	13,854,048	69,826,897	2,902,573	121,459	-	90,067,893	-
<b>TOTAL LIABILITIES</b>	<u>4,014,804</u>	<u>14,719,052</u>	<u>74,759,919</u>	<u>4,482,711</u>	<u>858,533</u>	<u>134</u>	<u>98,835,153</u>	<u>6,898,080</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - tax roll	-	143,700	-	-	-	-	143,700	-
Wisconsin Retirement System pension	573,485	406,375	899,932	981,527	276,988	-	3,138,307	-
Wisconsin Retirement System LRLIF	695	3,313	60,780	30,118	15,195	-	110,101	-
OPEB healthcare	179,606	245,150	340,856	738,837	-	-	1,504,449	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>753,786</u>	<u>798,538</u>	<u>1,301,568</u>	<u>1,750,482</u>	<u>292,183</u>	<u>-</u>	<u>4,896,557</u>	<u>-</u>
<b>NET POSITION</b>								
Net investment in capital assets	68,758,713	31,349,850	42,235,981	30,120,259	12,625,035	297,307	185,387,145	-
Restricted for other	1,174,148	185,458	2,252,658	584,595	183,787	-	4,380,646	14,641
Unrestricted	4,267,530	3,297,557	(3,681,508)	5,417,108	5,639,043	348,531	15,288,261	17,894,243
<b>TOTAL NET POSITION</b>	<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>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>								
	<u>\$ 78,968,981</u>	<u>\$ 50,350,455</u>	<u>\$ 116,868,618</u>	<u>\$ 42,355,155</u>	<u>\$ 19,598,581</u>	<u>\$ 645,972</u>	<u>\$ 308,787,762</u>	<u>\$ 24,806,964</u>
Net position - total enterprise funds							\$ 205,056,052	
Adjustment to reflect the consolidation of internal service activities related to enterprise funds							2,682,158	
Net position of business-type activities							<u>\$ 207,738,210</u>	

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, 2021**

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	NONMAJOR STORM	NONMAJOR SANITARY DISTRICT		INTERNAL SERVICE
<b>OPERATING REVENUE</b>								
Charges for services	\$ 3,388,150	\$ 1,714,891	\$ 8,505,362	\$ 7,038,419	\$ 2,294,046	\$ 82,884	\$ 23,023,752	\$ -
Interdepartmental Sales	-	-	-	-	-	-	-	11,816,253
Forfeited discounts	-	-	-	69,570	-	-	69,570	-
Other revenue	42,760	3,075	42,846	99,566	275,851	-	464,098	579,550
<b>TOTAL OPERATING REVENUE</b>	<u>3,430,910</u>	<u>1,717,966</u>	<u>8,548,208</u>	<u>7,207,555</u>	<u>2,569,897</u>	<u>82,884</u>	<u>23,557,420</u>	<u>12,395,803</u>
<b>OPERATING EXPENSES</b>								
Plant and maintenance expenses:								
Salaries and wages	949,405	669,321	1,487,099	1,151,398	477,730	-	4,734,953	753,270
Power	-	-	-	325,470	-	-	325,470	-
Chemicals	-	-	-	59,358	-	-	59,358	-
Supplies and expenses	262,044	126,349	2,386,222	563,358	182,962	42,680	3,563,615	3,216
Repairs and maintenance	287,924	264,675	446,068	97,711	101,668	11,591	1,209,637	-
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<u>1,499,373</u>	<u>1,060,345</u>	<u>4,319,389</u>	<u>2,197,295</u>	<u>762,360</u>	<u>54,271</u>	<u>9,893,033</u>	<u>756,486</u>
General expenses:								
Office supplies and other expenses	11,556	7,491	5,499	31,749	1,005	220	57,520	13,493
Outside services employed	502,853	286,461	685,731	351,963	100,681	11,071	1,938,760	63,343
Insurance expense	47,892	87,494	105,444	13,107	8,953	-	262,890	1,537,257
Employee benefits	-	-	-	64,954	-	-	64,954	13,492,777
Miscellaneous general expenses	8,592	8,496	277,723	77,721	53,467	-	425,999	17,577
Transportation	49,187	-	13,043	-	3,261	-	65,491	-
<b>TOTAL GENERAL EXPENSES</b>	<u>620,080</u>	<u>389,942</u>	<u>1,087,440</u>	<u>539,494</u>	<u>167,367</u>	<u>11,291</u>	<u>2,815,614</u>	<u>15,124,447</u>
Depreciation	1,763,397	1,310,365	1,186,726	1,259,544	120,402	1,984	5,642,418	-
Taxes	59,043	28,646	89,211	91,976	27,124	-	296,000	-
<b>TOTAL OPERATING EXPENSES</b>	<u>3,941,893</u>	<u>2,789,298</u>	<u>6,682,766</u>	<u>4,088,309</u>	<u>1,077,253</u>	<u>67,546</u>	<u>18,647,065</u>	<u>15,880,933</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(510,983)</u>	<u>(1,071,332)</u>	<u>1,865,442</u>	<u>3,119,246</u>	<u>1,492,644</u>	<u>15,338</u>	<u>4,910,355</u>	<u>(3,485,130)</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>								
Interest income	31,541	18,106	172,871	38,094	34,054	1,736	296,402	140,519
Miscellaneous revenue	(55,955)	306,148	578	501	98	-	251,370	-
Sale of capital assets	(3,965)	8,070	35,171	-	19,594	-	58,870	-
Interest expense	(110,976)	(463,563)	(435,289)	(27,046)	-	-	(1,036,874)	-
Amortization	-	36,162	-	-	-	-	36,162	-
<b>TOTAL NONOPERATING (EXPENSES) REVENUE</b>	<u>(139,355)</u>	<u>(95,077)</u>	<u>(228,669)</u>	<u>11,549</u>	<u>53,746</u>	<u>1,736</u>	<u>(394,070)</u>	<u>140,519</u>
<b>(LOSS) INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>(650,338)</u>	<u>(1,166,409)</u>	<u>1,638,773</u>	<u>3,130,795</u>	<u>1,546,390</u>	<u>17,074</u>	<u>4,516,285</u>	<u>(3,344,611)</u>
OPERATING TRANSFER IN (OUT)	-	1,017,581	(26,876)	(937,870)	-	-	52,835	-
CAPITAL CONTRIBUTIONS	1,701,580	-	-	-	1,241,560	-	2,943,140	-
<b>CHANGE IN NET POSITION</b>	<u>1,051,242</u>	<u>(148,828)</u>	<u>1,611,897</u>	<u>2,192,925</u>	<u>2,787,950</u>	<u>17,074</u>	<u>7,512,260</u>	<u>(3,344,611)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>73,149,149</u>	<u>34,981,693</u>	<u>39,195,234</u>	<u>33,929,037</u>	<u>15,659,915</u>	<u>628,764</u>	<u>197,543,792</u>	<u>21,253,495</u>
<b>NET POSITION - END OF YEAR</b>	<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>

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, 2021**

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL	
	AIRPORT	PARKING	SEWER	WATER	NONMAJOR STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 3,969,467	\$ 1,907,886	\$ 8,076,008	\$ 5,993,448	\$ 1,654,730	\$ 81,489	\$ 21,683,028	\$ 488,202
Receipts from municipality	-	-	366,964	1,175,920	-	-	1,542,884	11,816,253
Payments to suppliers for goods and services	(1,584,942)	(794,515)	(2,021,844)	(1,495,277)	(306,477)	(65,562)	(6,268,617)	82,395
Payments for employees wages and benefits	(1,161,395)	(861,639)	(1,857,188)	(1,594,718)	(480,478)	-	(5,955,418)	(14,246,047)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>1,223,130</u>	<u>251,732</u>	<u>4,563,940</u>	<u>4,079,373</u>	<u>867,775</u>	<u>15,927</u>	<u>11,001,877</u>	<u>(1,859,197)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfer (to) from governmental funds	-	1,017,581	(26,876)	(937,870)	-	-	52,835	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition of property, plant and equipment	(1,079,676)	(344,075)	(13,443,701)	(735,048)	(2,300,093)	-	(17,902,593)	-
Retirement of long-term debt	(437,997)	(652,201)	(1,314,201)	(162,684)	-	-	(2,567,083)	-
Issuance of long-term debt	-	37,508	68,473,623	174,976	-	-	68,686,107	-
Interest paid	(113,376)	(468,100)	(334,101)	(27,046)	-	-	(942,623)	-
Contributed capital	1,701,580	-	-	560	1,241,560	-	2,943,700	-
<b>NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>70,531</u>	<u>(1,426,868)</u>	<u>53,381,620</u>	<u>(749,242)</u>	<u>(1,058,533)</u>	<u>-</u>	<u>50,217,508</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	31,541	54,268	172,871	38,094	34,054	1,736	332,564	140,519
Advance to other funds, net	-	-	62,238	-	32,494	-	94,732	-
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>31,541</u>	<u>54,268</u>	<u>235,109</u>	<u>38,094</u>	<u>66,548</u>	<u>1,736</u>	<u>427,296</u>	<u>140,519</u>
<b>NET CHANGE IN CASH AN CASH EQUIVALENTS</b>	<u>1,325,202</u>	<u>(103,287)</u>	<u>58,153,793</u>	<u>2,430,355</u>	<u>(124,210)</u>	<u>17,663</u>	<u>61,699,516</u>	<u>(1,718,678)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>4,066,299</u>	<u>2,771,799</u>	<u>4,182,904</u>	<u>5,190,100</u>	<u>5,175,379</u>	<u>271,558</u>	<u>21,658,039</u>	<u>26,075,897</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 5,391,501</b>	<b>\$ 2,668,512</b>	<b>\$ 62,336,697</b>	<b>\$ 7,620,455</b>	<b>\$ 5,051,169</b>	<b>\$ 289,221</b>	<b>\$ 83,357,555</b>	<b>\$ 24,357,219</b>
<b>Reconciliation of operating income to net cash (used in) provided by operating activities</b>								
Operating (loss) income	\$ (510,983)	\$ (1,071,332)	\$ 1,865,442	\$ 3,119,246	\$ 1,492,644	\$ 15,338	\$ 4,910,355	\$ (3,485,130)
Adjustments to reconcile operating (loss) income to net cash flows from operating activities								
Depreciation	1,763,397	1,310,365	1,186,726	1,259,544	120,402	1,984	5,642,418	-
Changes in assets and liabilities								
Decrease (increase) in assets								
Receivables - customers	538,557	275,400	18,924	86,974	(1,009,784)	(1,395)	(91,324)	(372,356)
Receivables - other	-	(85,480)	(124,160)	(169,818)	(43,389)	-	(422,847)	-
Due from other governments	-	-	-	-	138,006	-	138,006	-
Inventories	(2,946)	-	-	28,239	-	-	25,293	18,190
Prepaid expenses	(65)	14,796	(49)	(273)	(30)	-	14,379	(12,966)
Wisconsin Retirement System pension	(75,484)	(65,185)	(118,953)	(133,363)	(32,734)	-	(425,719)	-
Wisconsin Retirement System LRLIF	(53,514)	(34,279)	90,112	26,554	18,028	-	46,901	-
OPEB healthcare	(92,487)	(91,254)	(338,607)	(225,294)	-	-	(747,642)	-
(Increase) decrease in liabilities								
Accounts payable	(352,840)	301	1,987,146	89,170	172,674	-	1,896,451	1,705,205
Payroll payable	5,337	(1,167)	3,530	(1,905)	11,958	-	17,753	-
Other accrued expenses	4,158	(433)	(6,171)	(44,358)	-	-	(46,804)	287,860
Due to other funds	-	-	-	44,657	-	-	44,657	-
Total adjustments	<u>1,734,113</u>	<u>1,323,064</u>	<u>2,698,498</u>	<u>960,127</u>	<u>(624,869)</u>	<u>589</u>	<u>6,091,522</u>	<u>1,625,933</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 1,223,130</b>	<b>\$ 251,732</b>	<b>\$ 4,563,940</b>	<b>\$ 4,079,373</b>	<b>\$ 867,775</b>	<b>\$ 15,927</b>	<b>\$ 11,001,877</b>	<b>\$ (1,859,197)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>								
Cash and investments	\$ 4,479,075	\$ 2,668,512	\$ 60,494,742	\$ 7,483,800	\$ 4,993,792	\$ 289,221	\$ 80,409,142	\$ 24,342,578
Restricted cash	912,426	-	1,841,955	136,655	57,377	-	2,948,413	14,641
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 5,391,501</b>	<b>\$ 2,668,512</b>	<b>\$ 62,336,697</b>	<b>\$ 7,620,455</b>	<b>\$ 5,051,169</b>	<b>\$ 289,221</b>	<b>\$ 83,357,555</b>	<b>\$ 24,357,219</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2021**

<u>ASSETS</u>	<u>CUSTODIAL FUND</u>
Cash and investments	\$ 35,843,073
Taxes receivable	22,116,728
Accounts receivable	<u>2,701</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 57,962,502</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 44,169
Due to other governments	35,702,239
Due to others	<u>106,552</u>
TOTAL LIABILITIES	<u>35,852,960</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>22,116,728</u>
NET POSITION	
Restricted for other governments	<u>(7,186)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 57,962,502</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**YEAR ENDED DECEMBER 31, 2021**

	CUSTODIAL FUND
<b>ADDITIONS</b>	
Collections for other governments	<u>\$ 54,671,912</u>
<b>DEDUCTIONS</b>	
Payments to other governments	54,671,912
Payments to others	<u>2,375</u>
TOTAL DEDUCTIONS	<u>54,674,287</u>
CHANGE IN NET POSITION	(2,375)
NET POSITION - BEGINNING OF YEAR	<u>(4,811)</u>
<b>NET POSITION - END OF YEAR</b>	<u><b>\$ (7,186)</b></u>

The accompanying notes are an integral part of these statements.

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

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**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. 6, 7, 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, 2021

**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, 2021

**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.

**Building and Land Capital Projects Fund** - The building and land capital projects fund is used to account for ongoing capital projects.

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.

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, 2021

**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, 2021

**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, 2021**

**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, 2021

**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. It is the Wisconsin Retirement System pension and results from changes in the pension plan, LRLIF OPEB changes, and Healthcare OPEB.

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 four items that qualify for reporting in this category: Unavailable revenue, Wisconsin Retirement System pension, LRLIF OPEB, and Healthcare OPEB. A deferred inflow from unavailable revenue arises under a modified accrual basis of accounting. The unavailable revenue is from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow in the period the amount becomes available. The Wisconsin Retirement System pension results from changes in pension trust.

**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, 2021

**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 September 20, 2022, the date which the financial statements were available to be issued.

**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, 2021**

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

As of December 31, 2021, 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	\$ 124,526,212
Government Securities	More than one year	31,589,220
Repurchase Agreements	Less than one year	16,258,904
Corporate Bonds	More than one year	20,495,867
Bond Mutual Funds	Less than one year	1,284,289
Equity Mutual Funds	Less than one year	<u>777,696</u>
<b>TOTAL</b>		<b><u>\$ 194,932,188</u></b>

**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, 2021, 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 BBB+ or higher and a Moody's Rating of A2 or higher as of December 31, 2021. 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, 2021, \$37,734,273 of the City's and the Component Unit's bank balance of \$51,367,711 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's and the Component Unit's name	\$ 20,379,294
Uninsured, uncollateralized	<u>17,354,979</u>
	<b><u>\$ 37,734,273</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**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, 2021, \$16,258,904 of the City's investments subject to custodial credit risk of \$16,258,904 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name **\$ 16,258,904**

**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 2021 tax roll (levied for 2022) 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>PRIMARY GOVERNMENT</u>	<u>BALANCES</u> <u>1/1/21</u>	<u>ADDITIONS</u>	<u>PAYMENTS,</u> <u>FOREGIVENESS &amp;</u> <u>FORECLOSURES</u>	<u>BALANCES</u> <u>12/31/21</u>
Housing Rehabilitation	\$ 36,000	\$ -	\$ (3,000)	\$ 33,000
HOME Program	931,178	-	(195,257)	735,921
NSP Program	33,300	-	-	33,300
Replacement Housing	1,143,417	222,700	(76,440)	1,289,677
TID #14	252,606	-	(38,885)	213,721
TID #15	179,416	93,712	(20,155)	252,973
Economic Development	4,331,295	-	(616,862)	3,714,433
TID #13	98,750	39,050	(98,750)	39,050
Residential Rehabilitation	4,239,655	415,654	(476,060)	4,179,249
<b>TOTAL</b>	<b><u>\$ 11,245,617</u></b>	<b><u>\$ 771,116</u></b>	<b><u>\$ (1,525,409)</u></b>	<b><u>\$ 10,491,324</u></b>

Interest receivable of \$2,611,819 associated with these loans is included in the Accounts Receivable and other line of the balance sheet.

COMPONENT UNIT

Economic Development	<b><u>\$ 444,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 444,000</u></b>
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**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 5 - Capital Assets**

Capital asset activity for the year ended December 31, 2021, was as follows:

**GOVERNMENTAL ACTIVITIES**

	<u>BALANCES</u> <u>1/1/21</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> <u>12/31/21</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,028,660	\$ -	\$ -	\$ -	\$ 13,028,660
Construction in progress	<u>69,580,951</u>	<u>37,497,531</u>	<u>-</u>	<u>(17,794,042)</u>	<u>89,284,440</u>
Total capital assets not being depreciated	<u>82,609,611</u>	<u>37,497,531</u>	<u>-</u>	<u>(17,794,042)</u>	<u>102,313,100</u>
<i>Capital assets being depreciated</i>					
Buildings	85,847,469	30,057	88,950	3,728,325	89,516,901
Infrastructure	140,213,409	-	-	6,509,413	146,722,822
Improvements other than buildings	16,117,519	-	-	1,744,384	17,861,903
Machinery and equipment	<u>61,167,597</u>	<u>3,013,639</u>	<u>2,684,921</u>	<u>5,811,920</u>	<u>67,308,235</u>
Total capital assets being depreciated	<u>303,345,994</u>	<u>3,043,696</u>	<u>2,773,871</u>	<u>17,794,042</u>	<u>321,409,861</u>
<i>Less accumulated depreciation for:</i>					
Buildings	21,658,339	389,351	165,739	(67,970)	21,813,981
Infrastructure	53,807,416	4,190,764	-	-	57,998,180
Improvements other than buildings	6,915,584	27,845	-	(148,269)	6,795,160
Machinery and equipment	<u>23,468,949</u>	<u>2,244,982</u>	<u>2,050,487</u>	<u>216,239</u>	<u>23,879,683</u>
Total accumulated depreciation	<u>105,850,288</u>	<u>6,852,942</u>	<u>2,216,226</u>	<u>-</u>	<u>110,487,004</u>
Total capital assets being depreciated, net	<u>197,495,706</u>	<u>(3,809,246)</u>	<u>557,645</u>	<u>17,794,042</u>	<u>210,922,857</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
<b>CAPITAL ASSETS, NET</b>	<b><u>\$ 280,105,317</u></b>	<b><u>\$ 33,688,285</u></b>	<b><u>\$ 557,645</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 313,235,957</u></b>

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

General Government	\$ 3,049,740
Public Safety	661,108
Public Works	1,184,070
Transit	759,512
Culture, Recreation, and Education	<u>1,198,512</u>
<b>Total</b>	<b><u>\$ 6,852,942</u></b>

**BUSINESS-TYPE ACTIVITIES**

	<u>BALANCES</u> <u>1/1/21</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> <u>12/31/21</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 4,706,365	\$ -	\$ -	\$ (869,673)	\$ 3,836,692
Construction in progress	<u>40,523,817</u>	<u>16,611,244</u>	<u>-</u>	<u>(5,958,837)</u>	<u>51,176,224</u>
Total capital assets not being depreciated	<u>45,230,182</u>	<u>16,611,244</u>	<u>-</u>	<u>(6,828,510)</u>	<u>55,012,916</u>



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 5 - Capital Assets - Continued**

**BUSINESS-TYPE ACTIVITIES - Continued**

	BALANCES <u>1/1/21</u>	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES <u>12/31/21</u>
<i>Capital assets being depreciated</i>					
Land improvements	\$ 3,986,194	\$ -	\$ -	\$ -	\$ 3,986,194
Buildings	43,013,217	-	246,425	2,171,118	44,937,910
Equipment	15,301,452	1,183,242	1,186,425	1,834,445	17,132,714
Infrastructure	<u>170,048,007</u>	<u>651,307</u>	<u>241,647</u>	<u>3,000,952</u>	<u>173,458,619</u>
Total capital assets being depreciated	<u>232,348,870</u>	<u>1,834,549</u>	<u>1,674,497</u>	<u>7,006,515</u>	<u>239,515,437</u>
 Less accumulated depreciation for:					
Land improvements	2,928,595	230,205	-	-	3,158,800
Buildings	12,836,876	993,643	68,580	1,280,006	15,041,945
Equipment	11,485,493	814,220	870,448	(56,089)	11,373,176
Infrastructure	<u>49,886,955</u>	<u>3,762,309</u>	<u>195,922</u>	<u>(1,223,917)</u>	<u>52,229,425</u>
Total accumulated depreciation	<u>77,137,919</u>	<u>5,800,377</u>	<u>1,134,950</u>	<u>-</u>	<u>81,803,346</u>
 Total capital assets being depreciated, net accumulated depreciation	 <u>155,210,951</u>	 <u>(3,965,828)</u>	 <u>539,547</u>	 <u>7,006,515</u>	 <u>157,712,091</u>

**BUSINESS-TYPE ACTIVITIES**

**CAPITAL ASSETS, NET OF**

**ACCUMULATED DEPRECIATION      \$ 200,441,133      \$ 12,645,416      \$ 539,547      \$ 178,005      \$ 212,725,007**

Depreciation expense was charged to functions as follows:

Business-type activities

Airport	\$ 1,763,397
Parking Utility	1,310,365
Water Utility	1,587,800
Sewer Utility	1,016,429
Storm Utility	120,402
Sanitary Sewer Utility	<u>1,984</u>
	5,800,377

Less: Water Utility joint metering and clearing

**TOTAL**

(157,959)  
**\$ 5,642,418**

**COMPONENT UNIT**

	BALANCES <u>1/1/21</u>	ADDITIONS	RETIREMENTS	BALANCES <u>12/31/21</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Construction in progress	-	<u>2,140,762</u>	-	<u>2,140,762</u>
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b><u>\$ 10,000,000</u></b>	<b><u>\$ 2,140,762</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,140,762</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 6 - Long-Term Obligations**

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

**Summary of Long-Term Obligations**

	<u>BALANCES</u> 1/1/21	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>AMOUNTS</u> <u>BALANCES</u> 12/31/21	<u>DUE WITHIN</u> <u>ONE YEAR</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
Bonds payable	\$ 79,256,295	\$12,790,000	\$ (14,315,584)	\$ 77,730,711	\$ 5,000,751
Notes payable - direct borrowing	4,463,588	803,739	(1,523,911)	3,743,416	1,703,327
Notes payable - direct placement	12,637,854	14,675,000	(1,582,736)	25,730,118	2,628,547
Loan - direct placement	6,044,268	771,027	(543,527)	6,271,768	536,082
Premium	2,685,903	1,037,581	(252,941)	3,470,543	334,520
Net OPEB obligation	35,161,578	-	(1,507,233)	33,654,345	2,898,688
Wisconsin retirement system:					
Net OPEB liability - LRLIF	4,286,216	1,578,817	-	5,865,033	-
Employee benefits:					
Vacation pay	1,208,427	126,914	-	1,335,341	1,335,341
Sick pay	1,023,095	-	(357,268)	665,827	665,827
Comp pay	164,460	-	(6,020)	158,440	158,440
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$146,931,684</u></b>	<b><u>\$31,783,078</u></b>	<b><u>\$(20,089,220)</u></b>	<b><u>\$158,625,542</u></b>	<b><u>\$15,261,523</u></b>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
Bonds payable - Airport	\$ 3,600,000	\$ -	\$ (390,000)	\$ 3,210,000	\$ 400,000
Bonds payable - Parking	13,850,000	-	(605,000)	13,245,000	630,000
Bonds payable - Water Utility	588,705	-	(84,416)	504,289	84,249
Notes payable - Water Utility - direct placement	167,146	-	(26,619)	140,527	27,098
Notes payable - Sewer Utility - direct placement	2,500,000	-	(1,245,645)	1,254,355	1,254,355
Revenue bonds payable - Sewer Utility	-	68,263,000	-	68,263,000	-
Loan - direct placement	545,923	423,107	(175,529)	793,501	234,627
Premium	666,805	-	(39,874)	626,931	39,874
Net OPEB Obligation	4,360,577	-	(286,137)	4,074,440	254,028
Wisconsin retirement system:					
Net OPEB liability - LRLIF	735,525	144,555	-	880,080	-
Employee benefits:					
Vacation pay	134,499	8,753	-	143,252	143,252
Sick pay	147,299	-	(56,740)	90,559	90,559
Comp pay	24,148	1,182	-	25,330	25,330
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 27,320,627</u></b>	<b><u>\$68,840,597</u></b>	<b><u>\$(2,909,960)</u></b>	<b><u>\$ 93,251,264</u></b>	<b><u>\$ 3,183,372</u></b>
<b><u>COMPONENT UNIT</u></b>					
Revenue bond payable - RDA	<u>\$ -</u>	<u>\$ 3,000,000</u>	<u>\$ -</u>	<u>\$ 3,000,000</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, 2021**

**NOTE 6 - 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, 2021, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/21</u>
<b>Bonds Payable</b>				
GO Bonds Payable A	2012	2.000 - 3.000	2026	\$ 1,790,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	2,215,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	990,000
GO Bonds Payable B	2015	2.000 - 3.000	2024	630,000
GO Bonds Payable A	2017	3.000 - 5.000	2032	4,215,000
GO Bonds Payable B	2017	3.000 - 5.000	2032	2,580,000
GO Bonds Payable D	2017	3.000 - 3.500	2037	13,245,000
GO Bonds Payable A	2018	3.000 - 5.000	2033	3,020,000
GO Bonds Payable A	2019	2.125 - 5.000	2034	5,515,000
GO Bonds Payable A	2020	1.125 - 2.000	2035	6,070,000
GO Bonds Payable C	2020	0.750 - 2.350	2040	34,500,000
GO Refunding Bonds Payable D	2020	0.300 - 1.400	2031	7,130,000
GO Bonds Payable A	2021	1.670 - 4.000	2036	<u>12,790,000</u>
TOTAL BONDS PAYABLE				<u>94,690,000</u>
<b>Notes Payable</b>				
GO Note Payable C - direct placement	2015	2.000	2024	1,485,000
State Trust Fund Loan 2015D - direct borrowing	2015	3.250	2025	152,943
State Trust Fund Loan 2015E - direct borrowing	2015	3.750	2030	534,018
GO Notes Payable A - direct placement	2016	2.000	2026	2,930,000
GO Notes Payable B - direct placement	2016	0.800 - 4.000	2022	305,000
GO Notes Payable C - direct placement	2017	2.000 - 3.000	2027	1,060,000
State Trust Fund Loan 2017E - direct borrowing	2017	3.500	2027	524,792
GO Notes Payable B - direct placement	2018	3.000	2028	1,655,000
GO Notes Payable B - direct placement	2019	2.000 - 5.000	2029	1,145,000
GO Notes Payable B - direct placement	2020	1.125 - 2.000	2030	3,870,000
State Trust Fund Loan - sewer	2020	2.500	2022	1,254,355
State Trust Fund Loan - TID 17	2020	2.500	2025	473,569
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	7,685,000
GO Notes Payable C - direct placement	2021	2.000 - 5.000	2031	2,755,000
GO Notes Payable - TID 17	2021	3.500	2026	<u>803,739</u>
TOTAL NOTES PAYABLE				<u>30,868,416</u>
<b>Loan Payable - direct placement</b>				
Financed purchase - BOA Phase I & Phase II	2019	2.400	2039	4,858,494
Financial purchase - Fleet vehicles	2021	8.340	2026	<u>2,206,775</u>
TOTAL LOANS PAYABLE				<u>7,065,269</u>
<b>TOTAL GENERAL OBLIGATION DEBT</b>				<b><u>\$ 132,623,685</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 6 - Long-Term Obligations - Continued**

General Obligation Debt Limit Calculation

The 2021 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$4,672,574,900. The legal debt limit and margin of indebtedness as of December 31, 2021, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$4,672,574,900)	\$ 233,628,745
Applicable long-term debt	(132,623,685)
Amount available in debt service fund	<u>17,269,070</u>
<b>MARGIN OF INDEBTEDNESS</b>	<b><u>\$ 118,274,130</u></b>

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, 2021:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/21</u>
Revenue Bond Anticipation Notes	2021	0.950%	2024	<b><u>\$ 68,263,000</u></b>

Component Unit Debt

Component unit debt is expected to be repaid by revenue of the entity and contributions from the City pursuant the contribution and cooperative agreement. Component unit debt at December 31, 2021, is compromised of the following individual issue:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/21</u>
Taxable Interim Redevelopment Revenue Bond	2021	1.890%	2026	<b><u>\$ 3,000,000</u></b>

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2021, are:

<u>YEARS</u>	<u>GENERAL OBLIGATION DEBT</u>					
	<u>BONDS</u>		<u>NOTES PAYABLE DIRECT BORROWING AND PLACEMENT</u>		<u>LOANS DIRECT PLACEMENT</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2022	\$ 6,115,000	\$ 2,160,043	\$ 5,613,327	\$ 632,124	\$ 995,706	\$ 172,734
2023	6,155,000	2,054,252	4,092,724	544,732	952,065	163,802
2024	6,250,000	1,882,550	4,150,237	470,217	656,031	142,538
2025	6,225,000	1,703,053	3,194,942	369,613	472,759	121,263
2026	6,395,000	1,530,595	6,852,747	251,903	311,134	98,577
2027-2031	30,365,000	5,491,503	6,964,439	334,296	1,331,322	364,345
2032-2036	23,615,000	2,531,207	-	-	1,500,883	194,786
2037-2040	9,570,000	533,452	-	-	845,369	27,428
<b>TOTAL</b>	<b><u>\$ 94,690,000</u></b>	<b><u>\$ 17,886,655</u></b>	<b><u>\$ 30,868,416</u></b>	<b><u>\$ 2,602,885</u></b>	<b><u>\$ 7,065,269</u></b>	<b><u>\$ 1,285,473</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 6 - Long-Term Obligations - Continued**

YEARS	PROPRIETARY FUND DEBT		COMPONENT UNIT DEBT	
	REVENUE BONDS		REVENUE BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2022	\$ -	\$ 648,499	\$ -	\$ 55,598
2023	-	648,499	-	56,700
2024	68,263,000	324,249	-	56,700
2025	-	-	-	56,700
2026	-	-	3,000,000	56,700
	<b><u>\$ 68,263,000</u></b>	<b><u>\$ 1,621,247</u></b>	<b><u>\$ 3,000,000</u></b>	<b><u>\$ 282,398</u></b>

**Current Refunding** - The City issued \$3,300,000 of refunding notes (a portion of the 2021 B issuance) for a current refunding of \$3,330,000 of outstanding 2010 A and 2011 A bonds. The transaction resulted in an economic gain of \$275,298 and a reduction of \$289,199 in future debt service payments.

**NOTE 7 - 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, 2021 is \$5,189,083.

**NOTE 8 - 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 1,200 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 issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <http://etf.wi.gov/publications/acfr.htm>.

**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, 2021**

**NOTE 8 - 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:

<b>Year</b>	<b>Core Fund Adjustment (%)</b>	<b>Variable Fund Adjustment (%)</b>
2011	(1.2)	11.0
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

**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 and 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 \$3,505,883 in contributions from the employer.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 8 - 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%	11.65%
Protective without Social Security	6.75%	16.25%

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

At December 31, 2021, the City reported a liability (asset) of (\$19,328,929) for its proportionate share of the net pension liability. The net pension liability was measured as of December 31, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 0.30960272%, which was an increase of 0.0036532% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized pension expense of \$2,145,180.

At December 31, 2021, 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	\$27,974,893	\$6,025,741
Net differences between projected and actual earnings on pension plan investments	-	36,288,485
Changes in actuarial assumptions	438,417	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	29,999	39,321
Employer contributions subsequent to the measurement date	3,760,151	-
<b>Total</b>	<b>\$32,203,460</b>	<b>\$42,353,547</b>

\$3,760,151 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 in the year ended December 31, 2022. 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
2022	\$(3,589,831)
2023	(972,374)
2024	(6,565,804)
2025	(2,782,229)

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 8 - Wisconsin Retirement System - Continued**

**Actuarial Assumptions** - The total pension 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:	December 31, 2019
Measurement Date of Net Pension Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.0%
Discount Rate:	7.0%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	Wisconsin 2018 Mortality Table
Post-retirement Adjustments*	1.9%

\* No Post-Retirement Adjustment is Guaranteed - Actual adjustments are based on recognized investment return, actuarial experience and other factors. 1.9% 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 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total Pension Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the December 31, 2019 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 geometric 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, 2020)**

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<b><u>Core Fund Asset Class</u></b>			
Global Equities	51	7.2	4.7
Fixed Income	25	3.2	0.8
Inflation Sensitive Assets	16	2.0	(0.4)
Real Estate	8	5.6	3.1
Private Equity/Debt	11	10.2	7.6
Multi-Asset	4	5.8	3.3
Total Core Fund	115	6.6	4.1



**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 8 - Wisconsin Retirement System - Continued**

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<b><u>Variable Fund Asset Class</u></b>			
U.S. Equities	70	6.6	4.1
International Equities	30	7.4	4.9
Total Variable Fund	100	7.1	4.6
New England Pension Consultants Long-Term US CPI (Inflation) Forecast : 2.4%			
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations			

**Single Discount Rate** - A single discount rate of 7.00% was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.00% (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, 2020. 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 7.00% expected rate of return implies that a dividend of approximately 1.9% 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 7.0 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 (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate:

	1% Decrease to Discount Rate (6.0%)	Current Discount Rate (7.0%)	1% Increase To Discount Rate (8.0%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$18,398,460	(\$19,328,929)	(\$47,039,411)

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

**Payables to the Pension Plan**

At December 31, 2021, the City reported a payable of \$715,522 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2021.

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2021

**NOTE 9 - 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 <http://etf.wi.gov/publications/acfr.htm>.

Additionally, ETF issued a standalone Retiree Life Insurance Financial Report, which can be found at <https://etfonline.wi.gov/ETFGASBPublicWeb/gasb75Local.do>.

**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 member 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, 2021 are:

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

Member contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating members 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, 2019 are as listed below:

<b>Life Insurance Member Contribution Rates* For the year ended December 31, 2019</b>		
<b>Attained Age</b>	<b>Basic</b>	<b>Supplemental</b>
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
*Disabled members under age 70 receive a waiver-of-premium benefit.		

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 9 - Local Retiree Life Insurance Fund - OPEB - Continued**

During the reporting period, the LRLIF recognized \$24,451 in contributions from the employer.

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

At December 31, 2021, the City reported a liability of \$6,745,113 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of December 31, 2020, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of December 31, 2019 rolled forward to December 31, 2020. 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 was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2020, the City's proportion was 1.22622300%, which was an increase of 0.046911% from its proportion measured as of December 31, 2019.

For the year ended December 31, 2021, the City recognized OPEB expense of \$841,565.

At December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 321,853
Net differences between projected and actual earnings on OPEB investments	98,203	-
Changes in assumptions	2,623,943	462,806
Changes in proportion and differences between employer contributions and proportionate share of contributions	149,137	59,173
Employer contributions subsequent to the measurement date	76,703	-
<b>Total</b>	<b>\$2,947,986</b>	<b>\$ 843,832</b>

\$76,703 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 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
2022	\$ 378,860
2023	368,240
2024	357,301
2025	323,839
2026	398,483
2027	192,229
2028	8,499

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 9 - Local Retiree Life Insurance Fund - OPEB - Continued**

**Actuarial Assumptions** - The total OPEB liability in the January 1, 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 of Net OPEB Liability (Asset)	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	2.12%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.25%
Salary Increases	
Inflation:	2.20%
Seniority/Merit:	0.10% - 5.60%
Mortality:	Wisconsin 2018 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2018 that covered a three-year period from January 1, 2015 to December 31, 2017. The Total OPEB Liability for December 31, 2020 is based upon a roll-forward of the liability calculated from the January 1, 2020 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, 2020

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Credit Bonds	Barclays Credit	50%	1.47%
US Mortgages	Barclays MBS	50%	0.82%
Inflation			2.20%
Long-Term Expected Rate of Return			4.25%

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2021

**NOTE 9 - Local Retiree Life Insurance Fund - OPEB - Continued**

**Single Discount Rate** - A single discount rate of 2.25% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.87% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.74% as of December 31, 2019 to 2.12% as of December 31, 2020. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** - The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.25 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.25 percent) or 1-percentage-point higher (3.25 percent) than the current rate:

	1% Decrease to Discount Rate (1.25%)	Current Discount Rate (2.25%)	1% Increase To Discount Rate (3.25%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$9,175,280	\$6,745,113	\$4,907,245

**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/acfr.htm>.

**NOTE 10 - 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.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 10 - Post-Employment Benefits Other Than Pensions - Continued**

**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	157
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>252</u>
<b>Total</b>	<b><u>409</u></b>

**Contributions** - The City Council has the authority to establish the contribution requirements for the plan. Under the current plan, no contributions are made directly, rather the eligible retirees continue to be covered under the City's healthcare plan and the City pays a portion of the premium. The Council establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended December 31, 2021, the City paid \$3,464,664 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 - Level %
Long-Term Expected Rate of Return:	N/A
Discount Rate:	1.93%
Salary Increases:	4%
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.

**Discount Rate** - A discount rate of 1.93% 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**

	<u>OPEB HEALTHCARE LIABILITY</u>
BEGINNING BALANCE	<u>\$39,522,155</u>
Changes for the year:	
Service	1,353,237
Interest	732,355
Changes of assumption and other inputs	(726,246)
Benefit payments	<u>(3,152,716)</u>
NET CHANGES	<u>(1,793,370)</u>
<b>ENDING BALANCE</b>	<b><u>\$37,728,785</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2021

**NOTE 10 - Post-Employment Benefits Other Than Pensions - Continued**

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

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

	1% Decrease to Healthcare Cost Rate (4% decreasing to 3.5%)	Current Healthcare Cost Rate (5% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (6% decreasing to 5.5%)
OPEB healthcare liability	\$35,556,271	\$37,728,785	\$40,052,703

**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 1.93 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 (1.25%)	Current Discount Rate (2.25%)	1% Increase to Discount Rate (3.25%)
OPEB healthcare liability	\$41,166,952	\$37,728,785	\$34,720,847

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

For the year ended December 31, 2021, the City recognized OPEB healthcare expense of \$2,576,513.

At December 31, 2021, 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	\$ -	\$11,199,507
Changes in assumptions	2,282,807	2,731,497
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$2,282,807</b>	<b>\$13,931,004</b>

\$-0- reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended December 31, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2021

**NOTE 10 - Post-Employment Benefits Other Than Pensions - Continued**

Year ending December 31	Deferred Outflows/ (Inflows) of Resources
2022	\$(4,662,103)
2023	(4,662,103)
2024	(2,228,496)
2025	(95,495)

**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, 2021.

**NOTE 11 - Interfund Receivables, Payables, and Transfers**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Due To/From Other Funds		
General	Water Utility	\$ 964,746
General	CDBG Grants	449,606
General	Federal Grants	1,921,393
General	Housing	41,950
General	TIF District #10	44,444
General	TIF District #15	101,633
La Crosse Center	Federal Grants	508,944
		<b><u>\$ 4,032,716</u></b>
Advances To/From Other Funds:		
General Fund	Transit	\$ 2,528,526
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	CDBG Grants	250,000
		<b><u>\$ 5,355,005</u></b>

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

Individual fund transfers during 2021 are as follows:

<u>TRANSFER OUT</u>	<u>TRANSFER IN:</u>			
	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>BUILDING AND LAND CAPITAL PROJECTS</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>
General Fund	\$ -	\$ 9,072,339	\$ -	\$ -
Building and Land Capital Projects	-	-	-	3,178,101
Nonmajor Governmental Funds	3,368,061	225,696	177,935	5,728,696
Water Utility	937,870	-	-	-
Sewer Utility	26,876	-	-	-
<b>TOTAL</b>	<b><u>\$ 4,332,807</u></b>	<b><u>\$ 9,298,035</u></b>	<b><u>\$ 177,935</u></b>	<b><u>\$ 8,906,797</u></b>



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 11 - Interfund Receivables, Payables, and Transfers - Continued**

	<u>TRANSFER IN:</u>		
	<u>PARKING UTILITY</u>	<u>STORM UTILITY</u>	<u>TOTAL</u>
<u>TRANSFER OUT:</u>			
General Fund	\$ -	\$ -	\$ 9,072,339
Building and Land Capital Projects	-	-	3,178,101
Nonmajor Governmental Funds	1,017,581	-	10,517,969
Water Utility	-	-	937,870
Sewer Utility	-	-	26,876
<b>TOTAL</b>	<b><u>\$ 1,017,581</u></b>	<b><u>\$ -</u></b>	<b><u>\$23,733,155</u></b>

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

**NOTE 12 - 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 #10	Awaiting future TIF levies	\$ 246,808
TIF District #12	Awaiting future TIF levies	180,463
TIF District #15	Awaiting future TIF levies	102,804
Housing	Awaiting future revenue	42,950
Federal Grants	Awaiting future revenue	78,875
	<b>Total Deficits</b>	<b><u>\$ 651,900</u></b>

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	\$ 135,725
General Fund	Advances to other funds	3,004,111
General Fund	Delinquent personal property tax	305,260
La Crosse Center	Inventory	11,309
Transit	Prepaid expenses and inventory	163,552
Special Assigned	Prepaid expenses	1,450
Special Assigned	Advances to other funds	127,802
Debt Service	Advances to other funds	1,000,000
	<b>Total Nonspendable</b>	<b><u>\$ 4,749,209</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 12 - Net Position and Fund Balances - Continued**

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Restricted</u>		
Debt Service	Future debt repayment	\$ 16,269,070
Building and Land Capital Projects	Unspent bond monies	11,905,158
Capital Projects	Unspent bond monies	2,014,215
TIF District #11	Future TIF expenditures	1,706,980
TIF District #13	Future TIF expenditures	7,993,334
TIF District #14	Future TIF expenditures	4,269,167
TIF District #16	Future TIF expenditures	699,752
TIF District #17	Future TIF expenditures	896,404
TIF District #18	Future TIF expenditures	394,764
TIF District #19	Future TIF expenditures	141
TIF District #20	Future TIF expenditures	141
Equipment	Unspent bond monies	1,728,356
Flood Control Plan	Unspent bond monies	38,433
Parks and Recreation	Unspent bond monies	1,035,309
Roadway and Infrastructure	Unspent bond monies	8,330,325
HUD Grants	Future loan payments	606,019
	<b>Total Restricted</b>	<b><u>\$ 57,887,568</u></b>
<u>Committed</u>		
State Grants	Future grant expenditures	\$ 154,987
Library	Future library expenditures	2,370,695
La Crosse Center	Future La Crosse Center expenditures	1,202,836
Special Assessments	Future special assessment expenditures	256,120
Special Assigned	Expenditures related to prior year budget commitments	8,399,405
Room Tax	Future room tax expenditures	2,782,095
	<b>Total Committed</b>	<b><u>\$ 15,166,138</u></b>
<u>Restricted - Governmental Activities</u>		
Capital Projects	Various projects	\$ 41,012,479
Debt Service	Future debt repayment	16,269,070
Special Revenue	Unspent bond monies	606,019
Other Activities	Wisconsin Retirement System pension asset	17,896,696
	<b>Total Restricted - Governmental Activities</b>	<b><u>\$ 75,784,264</u></b>
<u>Restricted - Proprietary Funds and Business-Type Activities</u>		
Airport	Restricted for future projects	\$ 912,426
Airport	Wisconsin Retirement System pension asset	261,722
Parking	Wisconsin Retirement System pension asset	185,458
Sewer	DNR replacement reserve	1,841,955
Sewer	Wisconsin Retirement System pension asset	410,703
Water	Replacement fund	136,655
Water	Wisconsin Retirement System pension asset	447,940
Storm	Restricted for future projects	57,377
Storm	Wisconsin Retirement System pension asset	126,410
	<b>Total Restricted - Proprietary Funds and Business-Type Activities</b>	<b><u>\$ 4,380,646</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 13 - 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, 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.

**NOTE 14 - 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 thirteen active Tax Incremental Financing Districts. The following are project summaries of the activity and status of the districts through December 31, 2021:

	#6	#10	#11	#12	#13	#14
<b>SOURCES OF FUNDS</b>						
TIF tax collections	\$ 28,978,169	\$ 757,788	\$ 34,630,543	\$ 8,023,599	\$ 13,468,535	\$ 14,384,505
Exempt computer aids	1,346,970	95,322	5,066,505	123,135	1,749,557	11,596,832
Payment from other government	-	688,807	-	-	-	-
Sale of assets	237,347	26,806	828,002	42,200	335,315	405,689
Grants	441,015	-	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	-
Rents - net of costs	-	-	-	-	52,261	-
Interest income	9,461	846	59,989	5,271	-	68,465
Proceeds from long-term debt	33,692,804	240,750	37,061,983	7,355,928	8,586,767	1,185,993
Settlement from private	-	-	-	-	-	3,376,628
Transfers from other TIF's	18,413,128	-	400,608	748,500	2,036	5,000
<b>TOTAL SOURCES</b>	<b>83,118,894</b>	<b>1,810,319</b>	<b>86,180,953</b>	<b>16,341,273</b>	<b>25,037,506</b>	<b>32,261,479</b>
<b>USES OF FUNDS</b>						
Capital expenditures	36,896,621	1,845,157	56,407,143	9,476,320	10,838,396	17,829,482
Principal and interest on long-term debt	43,651,697	183,629	25,417,268	7,012,673	5,495,470	450,823
Interest on advances	138,075	28,341	893,509	32,743	46,157	8,781
Incentives for reverse TIF	-	-	1,756,053	-	150,000	9,703,226
Final distribution	1,728,914	-	-	-	-	-
Transfers to other TIF's	703,587	-	-	-	514,149	-
<b>TOTAL USES</b>	<b>83,118,894</b>	<b>2,057,127</b>	<b>84,473,973</b>	<b>16,521,736</b>	<b>17,044,172</b>	<b>27,992,312</b>
<b>FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021</b>	<b>\$ -</b>	<b>\$ (246,808)</b>	<b>\$ 1,706,980</b>	<b>\$ (180,463)</b>	<b>\$ 7,993,334</b>	<b>\$ 4,269,167</b>
<b>FUTURE REQUIREMENTS</b>						
Debt service	\$ -	\$ 2,901	\$ 18,488,173	\$ 4,514,672	\$ 4,651,164	\$ 25,823
Advances from other funds	-	202,364	2,000,000	214,115	-	-
Interest on advances	-	838	10,650	10,472	-	-
Proceeds from other governments	-	826,989	-	-	-	-
Estimated payable (developer's agreement)	-	-	4,120,000	-	250,000	6,690,000
Less receivables/plus payables	-	44,444	459,840	14,423	13,686	91,114
<b>TOTAL FUTURE REQUIREMENTS</b>	<b>-</b>	<b>1,077,536</b>	<b>25,078,663</b>	<b>4,753,682</b>	<b>4,914,850</b>	<b>6,806,937</b>
Less cash on hand (deficit)	-	-	(4,166,820)	(48,075)	(8,007,020)	(4,360,281)
<b>BALANCE TO BE COLLECTED ON TIF DISTRICT</b>	<b>\$ -</b>	<b>\$ 1,077,536</b>	<b>\$ 20,911,843</b>	<b>\$ 4,705,607</b>	<b>\$ (3,092,170)</b>	<b>\$ 2,446,656</b>
<b>DISTRICT TERMINATION DATE</b>	<b>2021</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2026</b>	<b>2026</b>
<b>2021 Tax Increment</b>	<b>\$ -</b>	<b>\$ 301,342</b>	<b>\$ 4,718,465</b>	<b>\$ 602,955</b>	<b>\$ 3,716,862</b>	<b>\$ 1,690,808</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2021**

**NOTE 14 - Tax Incremental Finance Districts - Continued**

	<u>#15</u>	<u>#16</u>	<u>#17</u>	<u>#18</u>	<u>#19</u>	<u>#20</u>
<b>SOURCES OF FUNDS</b>						
TIF tax collections	\$ 4,810,784	\$ 807,948	\$ 5,763,162	\$ -	\$ -	\$ -
Exempt computer aids	472,622	12,989	85,897	-	-	-
Payment from other government	-	-	1,003,448	-	-	-
Sale of assets	295	-	72,207	-	-	-
Grants	-	-	2,722	-	-	-
Economic development proceeds	-	30,000	-	-	-	-
Judgment/liquidated damages	4,670	-	-	-	-	-
Loan repayments	20,316	-	-	-	-	-
Interest income	2,700	2,776	17,317	557	1	1
Proceeds from long-term debt	-	1,736,875	16,190,000	-	-	-
Proceeds from entity	272,935	803,739	-	-	-	-
Transfers from other TIF's	-	-	-	514,149	10,000	10,000
<b>TOTAL SOURCES</b>	<u>5,584,322</u>	<u>3,394,327</u>	<u>23,134,753</u>	<u>514,706</u>	<u>10,001</u>	<u>10,001</u>
<b>USES OF FUNDS</b>						
Capital expenditures	4,419,463	2,668,658	16,814,133	119,942	9,860	9,860
Principal and interest on long-term debt	24	-	5,423,788	-	-	-
Interest on advances	-	25,917	428	-	-	-
Incentives for reverse TIF	1,267,639	-	-	-	-	-
<b>TOTAL USES</b>	<u>5,687,126</u>	<u>2,694,575</u>	<u>22,238,349</u>	<u>119,942</u>	<u>9,860</u>	<u>9,860</u>
<b>FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021</b>	<u>\$ (102,804)</u>	<u>\$ 699,752</u>	<u>\$ 896,404</u>	<u>\$ 394,764</u>	<u>\$ 141</u>	<u>\$ 141</u>
<b>FUTURE REQUIREMENTS</b>						
Debt service	\$ -	\$ -	\$ 12,098,328	\$ -	\$ -	\$ -
Estimated payable (developer's agreement)	4,400,000	-	625,000	-	-	-
Less receivables/plus payables	102,804	87,312	89,676	89,845	-	-
<b>TOTAL FUTURE REQUIREMENTS</b>	<u>4,502,804</u>	<u>87,312</u>	<u>12,813,004</u>	<u>89,845</u>	<u>-</u>	<u>-</u>
Less cash on hand (deficit)	-	(787,064)	(986,080)	(484,609)	(141)	(141)
<b>BALANCE TO BE COLLECTED OF TIF DISTRICT</b>	<u>\$ 4,502,804</u>	<u>\$ (699,752)</u>	<u>\$ 11,826,924</u>	<u>\$ (394,764)</u>	<u>\$ (141)</u>	<u>\$ (141)</u>
DISTRICT TERMINATION DATE	2033	2034	2035	2042	2042	2042
<b>2021- Tax Increment</b>	<u>\$ 920,533</u>	<u>\$ 340,314</u>	<u>\$ 2,111,561</u>	<u>\$ 14,415</u>	<u>\$ -</u>	<u>\$ 22,581</u>

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 15 - 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, 2020 to December 31, 2021:

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Liability</u>
Liability Balance, January 1, 2020	\$ 3,987,929	\$ 1,258,337	\$ 598,959
Claims and changes in estimates	7,704,848	(318,128)	51,273
Claim payments	<u>(8,366,353)</u>	<u>(6,838)</u>	<u>(113,262)</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>
<b>LIABILITY BALANCE, DECEMBER 31, 2021</b>	<b><u>\$ 5,008,263</u></b>	<b><u>\$ 851,822</u></b>	<b><u>\$ 448,510</u></b>

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

**Participation in Risk Pool**

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

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2021

**NOTE 15 - 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, 2021**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL		FINAL BUDGET
				POSITIVE (NEGATIVE)
<b>REVENUE</b>				
Taxes	\$ 35,936,076	\$ 35,936,076	\$ 36,555,926	\$ 619,850
Intergovernmental	15,996,675	15,996,675	18,746,816	2,750,141
Licenses and permits	1,474,593	1,474,593	1,697,724	223,131
Fines, forfeits, and penalties	750	750	7,616	6,866
Public charges for services	1,185,835	1,185,835	685,487	(500,348)
Intergovernmental charges for services	1,908,064	1,908,064	1,866,383	(41,681)
Miscellaneous	940,919	940,919	580,370	(360,549)
Miscellaneous	-	-	(589,598)	(589,598)
TOTAL REVENUE	<u>57,442,912</u>	<u>57,442,912</u>	<u>59,550,724</u>	<u>2,107,812</u>
<b>EXPENDITURES</b>				
Current				
General government	7,584,675	7,546,775	8,290,429	(743,654)
Public safety	26,193,372	26,561,441	25,789,168	772,273
Public works	10,177,004	10,177,004	9,459,756	717,248
Health and human services	149,000	149,000	154,427	(5,427)
Culture, recreation, and education	10,787,414	10,819,118	11,048,136	(229,018)
Conservation and development	422,823	422,823	432,722	(9,899)
Debt service				
Principal	6,000	6,000	-	6,000
Capital outlay	589,500	139,500	875,788	(736,288)
TOTAL EXPENDITURES	<u>55,909,788</u>	<u>55,821,661</u>	<u>56,050,426</u>	<u>(228,765)</u>
EXCESS OF REVENUE OVER EXPENDITURES	<u>1,533,124</u>	<u>1,621,251</u>	<u>3,500,298</u>	<u>1,879,047</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	12,262,047	12,262,047	4,332,807	(7,929,240)
Operating transfers (out)	(13,565,687)	(13,567,723)	(9,072,339)	4,495,384
Sale of capital assets	35,000	35,000	1,353,949	1,318,949
Issuance of long-term debt	-	-	771,027	771,027
TOTAL OTHER FINANCING (USES)	<u>(1,268,640)</u>	<u>(1,270,676)</u>	<u>(2,614,556)</u>	<u>(1,343,880)</u>
NET CHANGE IN FUND BALANCE	264,484	350,575	885,742	535,167
FUND BALANCE - BEGINNING OF YEAR	<u>18,628,087</u>	<u>18,628,087</u>	<u>18,628,087</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 18,892,571</b></u>	<u><b>\$ 18,978,662</b></u>	<u><b>\$ 19,513,829</b></u>	<u><b>\$ 535,167</b></u>

The accompanying notes are an integral part of this schedule.



**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
YEAR ENDED DECEMBER 31, 2021

**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 \$88,127.
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 general government by \$743,654, health and human services by \$5,427, culture, recreation, and education by \$229,018 conservation and development by \$9,899 and capital outlay by \$736,288 for the year ended December 31, 2021. 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, 2021**

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

	2021	2020	2019	2018
<b>Total OPEB Healthcare Liability</b>				
Service cost	\$ 1,353,237	\$ 1,039,468	\$ 1,665,034	\$ 1,512,531
Interest	732,355	1,618,378	1,792,678	2,161,436
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	-	(13,863,827)	-	(8,856,250)
Changes of assumptions or other input	(726,246)	2,816,961	879,410	(3,448,173)
Benefit payments	(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	(1,793,370)	(11,853,684)	(80,951)	(15,288,484)
Total OPEB Healthcare Liability - Beginning	39,522,155	51,375,839	51,456,790	66,745,274
<b>Total OPEB Healthcare Liability - Ending</b>	<b>\$ 37,728,785</b>	<b>\$ 39,522,155</b>	<b>\$ 51,375,839</b>	<b>\$ 51,456,790</b>
Covered payroll	\$ 19,887,610	\$ 19,122,675	\$ 20,440,991	\$ 20,440,991
Net OPEB healthcare liability as a percentage of covered payroll	189.71%	206.68%	251.34%	251.73%

SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

	2021	2020	2019	2018
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,887,610	\$ 19,122,675	\$ 20,440,991	\$ 20,440,991
Contributions as a percentage of covered payroll	-	-	-	-
Actuarial valuation date	1/1/2020	1/1/2020	1/1/2018	1/1/2018
Measurement date	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, 2021**

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, 2021**

**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)
2020	0.30960272%	\$ (19,328,929)	\$ 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
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, 2021**

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 LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2021**

**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)
2020	1.22622300%	\$ 6,745,113	\$ 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
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, 2021**

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, 2021**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 15,910,428	\$ 32,986,480	\$ 48,896,908
Receivable			
Taxes	158,635	14,402,840	14,561,475
Accounts and other	185,232	161,922	347,154
Special assessments	714,285	-	714,285
Loan	400,000	505,744	905,744
Due from other funds	700,841	36,996	737,837
Due from other governments	2,602,948	-	2,602,948
Inventories	170,219	-	170,219
Prepays	6,092	-	6,092
Advances to other funds	127,802	-	127,802
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 20,976,482</u></b>	<b><u>\$ 48,093,982</u></b>	<b><u>\$ 69,070,464</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND</u>			
<u>FUND BALANCES</u>			
 LIABILITIES			
Accounts payable	\$ 413,805	\$ 1,796,153	\$ 2,209,958
Accrued expenses			
Payroll	107,295	-	107,295
Due to other funds	-	188,027	188,027
Due to other governments	633,124	84,300	717,424
Deposit payable	61,700	-	61,700
Unearned revenue - other	797,459	626,544	1,424,003
Advances from other funds	2,688,526	2,416,479	5,105,005
TOTAL LIABILITIES	<u>4,701,909</u>	<u>5,111,503</u>	<u>9,813,412</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - tax roll	191,897	14,439,836	14,631,733
Unavailable revenue - special assessments	705,706	8,347	714,053
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>897,603</u>	<u>14,448,183</u>	<u>15,345,786</u>
 FUND BALANCES			
Nonspendable	304,113	-	304,113
Restricted	-	29,107,321	29,107,321
Committed	15,166,138	-	15,166,138
Unassigned	(93,281)	(573,025)	(666,306)
TOTAL FUND BALANCES	<u>15,376,970</u>	<u>28,534,296</u>	<u>43,911,266</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF</b>	<b><u>\$ 20,976,482</u></b>	<b><u>\$ 48,093,982</u></b>	<b><u>\$ 69,070,464</u></b>
<b>RESOURCES AND FUND BALANCES</b>			

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
<b>REVENUE</b>			
Taxes	\$ 403,977	\$ 14,605,652	\$ 15,009,629
Special assessment	341,847	-	341,847
Intergovernmental	5,369,251	5,111,773	10,481,024
Licenses and permits	817,928	590	818,518
Fines, forfeits and penalties	798,721	-	798,721
Public charges for services	2,980,147	100,753	3,080,900
Intergovernmental charges for services	507,195	-	507,195
Miscellaneous	1,554,980	356,171	1,911,151
Change in fair value of investments	<u>(31,207)</u>	<u>-</u>	<u>(31,207)</u>
<b>TOTAL REVENUE</b>	<u>12,742,839</u>	<u>20,174,939</u>	<u>32,917,778</u>
 <b>EXPENDITURES</b>			
Current			
General government	627,069	165,178	792,247
Public safety	519,866	-	519,866
Public works	5,783,357	6,303	5,789,660
Health and human services	190,282	-	190,282
Culture, recreation and education	2,950,597	-	2,950,597
Conservation and development	575,118	230,966	806,084
Debt service			
Principal	6,015	165,575	171,590
Interest	793	32,755	33,548
Other	-	59,500	59,500
Capital outlay	<u>357,636</u>	<u>21,828,531</u>	<u>22,186,167</u>
<b>TOTAL EXPENDITURES</b>	<u>11,010,733</u>	<u>22,488,808</u>	<u>33,499,541</u>
 <b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>1,732,106</u>	<u>(2,313,869)</u>	<u>(581,763)</u>
 <b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	7,631,907	1,274,890	8,906,797
Operating transfers (out)	(2,209,586)	(8,308,383)	(10,517,969)
Sale of capital assets	25,347	77,786	103,133
Issuance of long-term debt	<u>-</u>	<u>15,007,601</u>	<u>15,007,601</u>
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>5,447,668</u>	<u>8,051,894</u>	<u>13,499,562</u>
 <b>EXCESS OF REVENUE AND OTHER SOURCES OVER     EXPENDITURES AND OTHER USES</b>	<u>7,179,774</u>	<u>5,738,025</u>	<u>12,917,799</u>
 <b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>8,197,196</u>	<u>22,796,271</u>	<u>30,993,467</u>
 <b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 15,376,970</b></u>	<u><b>\$ 28,534,296</b></u>	<u><b>\$ 43,911,266</b></u>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2021**

<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	\$ 400,552	\$ 20,593	\$ 2,370,695	\$ 819,211	\$ 638,274	\$ 88,006	\$ 8,800,217	\$ 2,772,880	\$ 15,910,428
Receivable									
Taxes	-	-	-	-	-	158,635	-	-	158,635
Accounts and other	1,954	-	-	16,013	79,919	900	77,231	9,215	185,232
Special assessments	-	-	-	-	-	714,285	-	-	714,285
Loan	-	-	-	-	-	-	400,000	-	400,000
Due from other funds	-	-	-	508,944	-	191,897	-	-	700,841
Due from other governments	66,722	-	-	-	2,529,526	-	6,700	-	2,602,948
Inventories	-	-	-	11,309	158,910	-	-	-	170,219
Prepays	-	-	-	-	4,642	-	1,450	-	6,092
Advances to other funds	-	-	-	-	-	-	127,802	-	127,802
<b>TOTAL ASSETS</b>	<b>\$ 469,228</b>	<b>\$ 20,593</b>	<b>\$ 2,370,695</b>	<b>\$ 1,355,477</b>	<b>\$ 3,411,271</b>	<b>\$ 1,153,723</b>	<b>\$ 9,413,400</b>	<b>\$ 2,782,095</b>	<b>\$ 20,976,482</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>									
<u>LIABILITIES</u>									
Accounts payable	\$ 76,427	\$ -	\$ -	\$ 59,054	\$ 74,021	\$ -	\$ 204,303	\$ -	\$ 413,805
Accrued expenses									
Payroll	-	-	-	10,231	97,064	-	-	-	107,295
Due to other governments	-	-	-	-	606,308	-	26,816	-	633,124
Deposit payable	-	-	-	-	-	-	61,700	-	61,700
Unearned revenue - other	237,814	20,593	-	72,047	35,081	-	431,924	-	797,459
Advances from other funds	-	-	-	-	2,528,526	-	160,000	-	2,688,526
<b>TOTAL LIABILITIES</b>	<b>314,241</b>	<b>20,593</b>	<b>-</b>	<b>141,332</b>	<b>3,341,000</b>	<b>-</b>	<b>884,743</b>	<b>-</b>	<b>4,701,909</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>									
Unavailable revenue - tax roll	-	-	-	-	-	191,897	-	-	191,897
Unavailable revenue - special assessments	-	-	-	-	-	705,706	-	-	705,706
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>897,603</b>	<b>-</b>	<b>-</b>	<b>897,603</b>
<u>FUND BALANCES</u>									
Nonspendable	-	-	-	11,309	163,552	-	129,252	-	304,113
Committed	154,987	-	2,370,695	1,202,836	-	256,120	8,399,405	2,782,095	15,166,138
Unassigned	-	-	-	-	(93,281)	-	-	-	(93,281)
<b>TOTAL FUND BALANCES</b>	<b>154,987</b>	<b>-</b>	<b>2,370,695</b>	<b>1,214,145</b>	<b>70,271</b>	<b>256,120</b>	<b>8,528,657</b>	<b>2,782,095</b>	<b>15,376,970</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 469,228</b>	<b>\$ 20,593</b>	<b>\$ 2,370,695</b>	<b>\$ 1,355,477</b>	<b>\$ 3,411,271</b>	<b>\$ 1,153,723</b>	<b>\$ 9,413,400</b>	<b>\$ 2,782,095</b>	<b>\$ 20,976,482</b>



**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>REVENUE</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,270	\$ 400,707	\$ 403,977
Special assessment	-	-	-	-	-	341,847	-	-	341,847
Intergovernmental	504,200	25,418	-	508,944	4,249,426	-	81,263	-	5,369,251
Licenses and permits	-	-	-	-	-	-	817,928	-	817,928
Fines, forfeits and penalties	-	-	-	-	-	-	798,721	-	798,721
Public charges for services	-	-	-	1,471,699	251,833	-	1,247,400	9,215	2,980,147
Intergovernmental charges for services	-	-	-	-	342,484	-	164,711	-	507,195
Miscellaneous	726	-	464,943	6,347	218,920	149	858,823	5,072	1,554,980
Change in fair value of investments	-	-	(31,207)	-	-	-	-	-	(31,207)
<b>TOTAL REVENUE</b>	<b>504,926</b>	<b>25,418</b>	<b>433,736</b>	<b>1,986,990</b>	<b>5,062,663</b>	<b>341,996</b>	<b>3,972,116</b>	<b>414,994</b>	<b>12,742,839</b>
<b>EXPENDITURES</b>									
Current									
General government	130,712	22,775	-	-	-	-	473,582	-	627,069
Public safety	300,048	2,523	-	-	-	-	217,295	-	519,866
Public works	-	-	-	-	5,725,293	58,064	-	-	5,783,357
Health and human services	-	-	-	-	-	-	190,282	-	190,282
Culture, recreation and education	28,378	120	291,165	1,091,142	-	-	1,539,792	-	2,950,597
Conservation and development	135,624	-	-	-	-	-	439,494	-	575,118
Debt service									
Principal	-	-	-	-	6,015	-	-	-	6,015
Interest	-	-	-	-	793	-	-	-	793
Capital outlay	37,151	-	-	-	97,993	63,446	159,046	-	357,636
<b>TOTAL EXPENDITURES</b>	<b>631,913</b>	<b>25,418</b>	<b>291,165</b>	<b>1,091,142</b>	<b>5,830,094</b>	<b>121,510</b>	<b>3,019,491</b>	<b>-</b>	<b>11,010,733</b>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<b>(126,987)</b>	<b>-</b>	<b>142,571</b>	<b>895,848</b>	<b>(767,431)</b>	<b>220,486</b>	<b>952,625</b>	<b>414,994</b>	<b>1,732,106</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	-	-	-	-	800,925	35,634	3,878,247	2,917,101	7,631,907
Operating transfers (out)	-	-	-	-	(69,800)	-	(1,589,786)	(550,000)	(2,209,586)
Sale of capital assets	-	-	-	-	25,347	-	-	-	25,347
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>756,472</b>	<b>35,634</b>	<b>2,288,461</b>	<b>2,367,101</b>	<b>5,447,668</b>
<b>EXCESS OF REVENUE AND OTHER SOURCES (UNDER) OVER EXPENDITURES AND OTHER USES</b>	<b>(126,987)</b>	<b>-</b>	<b>142,571</b>	<b>895,848</b>	<b>(10,959)</b>	<b>256,120</b>	<b>3,241,086</b>	<b>2,782,095</b>	<b>7,179,774</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>281,974</b>	<b>-</b>	<b>2,228,124</b>	<b>318,297</b>	<b>81,230</b>	<b>-</b>	<b>5,287,571</b>	<b>-</b>	<b>8,197,196</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 154,987</b>	<b>\$ -</b>	<b>\$ 2,370,695</b>	<b>\$ 1,214,145</b>	<b>\$ 70,271</b>	<b>\$ 256,120</b>	<b>\$ 8,528,657</b>	<b>\$ 2,782,095</b>	<b>\$ 15,376,970</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**DECEMBER 31, 2021**

<u>ASSETS</u>	CAPITAL PROJECTS	TIF 7	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
Cash and investments	\$ 2,024,187	\$ 382,110	\$ -	\$ 4,166,820	\$ 48,075	\$ 8,007,020	\$ 4,360,281	\$ -	\$ 787,064	\$ 986,080
Receivable										
Taxes	-	-	301,342	4,718,465	602,955	3,716,862	1,690,808	920,533	340,314	2,111,561
Accounts and other	-	-	-	-	-	-	95,415	-	-	66,507
Loan	-	-	-	-	-	39,050	213,721	252,973	-	-
Due from other funds	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 2,024,187</b>	<b>\$ 382,110</b>	<b>\$ 301,342</b>	<b>\$ 8,885,285</b>	<b>\$ 651,030</b>	<b>\$ 11,762,932</b>	<b>\$ 6,360,225</b>	<b>\$ 1,173,506</b>	<b>\$ 1,127,378</b>	<b>\$ 3,164,148</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>										
LIABILITIES										
Accounts payable	\$ 1,625	\$ 382,110	\$ -	\$ 459,840	\$ 14,423	\$ 11,823	\$ 184,592	\$ 1,171	\$ 87,312	\$ 156,183
Accrued expenses										
Due to other funds	-	-	44,444	-	-	-	-	101,633	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-	40,913	215,658	252,973	-	-
Advances from other funds	-	-	202,364	2,000,000	214,115	-	-	-	-	-
TOTAL LIABILITIES	<u>1,625</u>	<u>382,110</u>	<u>246,808</u>	<u>2,459,840</u>	<u>228,538</u>	<u>52,736</u>	<u>400,250</u>	<u>355,777</u>	<u>87,312</u>	<u>156,183</u>
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - tax roll	-	-	301,342	4,718,465	602,955	3,716,862	1,690,808	920,533	340,314	2,111,561
Unavailable revenue - special assessments	8,347	-	-	-	-	-	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>8,347</u>	<u>-</u>	<u>301,342</u>	<u>4,718,465</u>	<u>602,955</u>	<u>3,716,862</u>	<u>1,690,808</u>	<u>920,533</u>	<u>340,314</u>	<u>2,111,561</u>
FUND BALANCES										
Restricted	2,014,215	-	-	1,706,980	-	7,993,334	4,269,167	-	699,752	896,404
Unassigned	-	-	(246,808)	-	(180,463)	-	-	(102,804)	-	-
TOTAL FUND BALANCES	<u>2,014,215</u>	<u>-</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>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 2,024,187</b>	<b>\$ 382,110</b>	<b>\$ 301,342</b>	<b>\$ 8,885,285</b>	<b>\$ 651,030</b>	<b>\$ 11,762,932</b>	<b>\$ 6,360,225</b>	<b>\$ 1,173,506</b>	<b>\$ 1,127,378</b>	<b>\$ 3,164,148</b>

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**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR CAPITAL PROJECT FUNDS - Continued**  
**DECEMBER 31, 2021**

<u>ASSETS</u>	<u>TIF 18</u>	<u>TIF 19</u>	<u>TIF 20</u>	<u>CAPITAL EQUIPMENT</u>	<u>FLOODPLAIN CONTROL</u>	<u>HOUSING</u>	<u>PARKS AND RECREATION</u>	<u>ROADWAY AND INFRA- STRUCTURE</u>	<u>TOTAL NONMAJOR CAPITAL PROJECT FUNDS</u>
Cash and investments	\$ 484,609	\$ 141	\$ 141	\$ 1,871,963	\$ 38,433	\$ -	\$ 1,177,696	\$ 8,651,860	\$ 32,986,480
Receivable									
Taxes	-	-	-	-	-	-	-	-	14,402,840
Accounts and other	-	-	-	-	-	-	-	-	161,922
Loan	-	-	-	-	-	-	-	-	505,744
Due from other funds	14,415	-	22,581	-	-	-	-	-	36,996
<b>TOTAL ASSETS</b>	<b>\$ 499,024</b>	<b>\$ 141</b>	<b>\$ 22,722</b>	<b>\$ 1,871,963</b>	<b>\$ 38,433</b>	<b>\$ -</b>	<b>\$ 1,177,696</b>	<b>\$ 8,651,860</b>	<b>\$ 48,093,982</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>									
<b>LIABILITIES</b>									
Accounts payable	\$ 89,845	\$ -	\$ -	\$ 59,307	\$ -	\$ 1,000	\$ 25,387	\$ 321,535	\$ 1,796,153
Accrued expenses									
Due to other funds	-	-	-	-	-	41,950	-	-	188,027
Due to other governments	-	-	-	84,300	-	-	-	-	84,300
Unearned revenue - other	-	-	-	-	-	-	117,000	-	626,544
Advances from other funds	-	-	-	-	-	-	-	-	2,416,479
<b>TOTAL LIABILITIES</b>	<b>89,845</b>	<b>-</b>	<b>-</b>	<b>143,607</b>	<b>-</b>	<b>42,950</b>	<b>142,387</b>	<b>321,535</b>	<b>5,111,503</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - tax roll	14,415	-	22,581	-	-	-	-	-	14,439,836
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	8,347
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>14,415</b>	<b>-</b>	<b>22,581</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,448,183</b>
<b>FUND BALANCES</b>									
Restricted	394,764	141	141	1,728,356	38,433	-	1,035,309	8,330,325	29,107,321
Unassigned	-	-	-	-	-	(42,950)	-	-	(573,025)
<b>TOTAL FUND BALANCES</b>	<b>394,764</b>	<b>141</b>	<b>141</b>	<b>1,728,356</b>	<b>38,433</b>	<b>(42,950)</b>	<b>1,035,309</b>	<b>8,330,325</b>	<b>28,534,296</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 499,024</b>	<b>\$ 141</b>	<b>\$ 22,722</b>	<b>\$ 1,871,963</b>	<b>\$ 38,433</b>	<b>\$ -</b>	<b>\$ 1,177,696</b>	<b>\$ 8,651,860</b>	<b>\$ 48,093,982</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	CAPITAL PROJECTS	TIF 6	TIF 7	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
<b>REVENUE</b>											
Taxes	\$ -	\$ 1,728,914	\$ 326,395	\$ 248,546	\$ 4,059,977	\$ 542,019	\$ 2,973,445	\$ 1,745,831	\$ 884,858	\$ 262,065	\$ 1,833,602
Intergovernmental	-	50,903	-	4,956	495,845	9,488	208,099	742,283	77,240	2,102	17,393
Licenses and permits	-	-	-	-	-	-	295	-	295	-	-
Public charges for services	-	-	-	-	40,226	-	-	40,211	20,316	-	-
Miscellaneous	22,930	3,379	-	590	38,095	2,965	65,395	35,031	-	2,286	83,384
<b>TOTAL REVENUE</b>	<u>22,930</u>	<u>1,783,196</u>	<u>326,395</u>	<u>254,092</u>	<u>4,634,143</u>	<u>554,472</u>	<u>3,247,234</u>	<u>2,563,356</u>	<u>984,579</u>	<u>266,453</u>	<u>1,934,379</u>
<b>EXPENDITURES</b>											
Current											
General government	88,597	-	-	-	-	-	-	-	-	-	-
Public works	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	4,482	-	16,992	44,368	16,992	41,173	29,299	17,861	16,992	41,453
Debt service											
Principal	-	-	-	-	-	49,144	-	-	-	-	116,431
Interest	-	-	-	120	1,183	21,996	-	-	-	-	9,456
Other	-	-	-	-	-	-	59,500	-	-	-	-
Capital outlay	44,182	-	-	318,978	1,863,256	64,280	681,912	3,603,383	864,895	311,007	379,212
<b>TOTAL EXPENDITURES</b>	<u>132,779</u>	<u>4,482</u>	<u>-</u>	<u>336,090</u>	<u>1,908,807</u>	<u>152,412</u>	<u>782,585</u>	<u>3,632,682</u>	<u>882,756</u>	<u>327,999</u>	<u>546,552</u>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<u>(109,849)</u>	<u>1,778,714</u>	<u>326,395</u>	<u>(81,998)</u>	<u>2,725,336</u>	<u>402,060</u>	<u>2,464,649</u>	<u>(1,069,326)</u>	<u>101,823</u>	<u>(61,546)</u>	<u>1,387,827</u>
<b>OTHER FINANCING SOURCES (USES)</b>											
Operating transfers in	174,550	-	-	-	-	-	2,036	-	-	-	-
Operating transfers (out)	(177,478)	(2,425,524)	(326,395)	(6,000)	(1,770,200)	(400,000)	(536,274)	(708,636)	(91,039)	-	(1,072,581)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	-	-	-	-	4,235,000	-	-	803,739	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(2,928)</u>	<u>(2,425,524)</u>	<u>(326,395)</u>	<u>(6,000)</u>	<u>(1,770,200)</u>	<u>(400,000)</u>	<u>3,700,762</u>	<u>(708,636)</u>	<u>(91,039)</u>	<u>803,739</u>	<u>(1,072,581)</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(112,777)</u>	<u>(646,810)</u>	<u>-</u>	<u>(87,998)</u>	<u>955,136</u>	<u>2,060</u>	<u>6,165,411</u>	<u>(1,777,962)</u>	<u>10,784</u>	<u>742,193</u>	<u>315,246</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,126,992</u>	<u>646,810</u>	<u>-</u>	<u>(158,810)</u>	<u>751,844</u>	<u>(182,523)</u>	<u>1,827,923</u>	<u>6,047,129</u>	<u>(113,588)</u>	<u>(42,441)</u>	<u>581,158</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 2,014,215</u>	<u>\$ -</u>	<u>\$ -</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>

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**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS - Continued**  
**YEAR ENDED DECEMBER 31, 2021**

	TIF 18	TIF 19	TIF 20	CAPITAL EQUIPMENT	FLOODPLAIN CONTROL	HOUSING	PARKS AND RECREATION	ROADWAY AND INFRA- STRUCTURE	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
<b>REVENUE</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,605,652
Intergovernmental	-	-	-	2,152,898	-	-	-	1,350,566	5,111,773
Licenses and permits	-	-	-	-	-	-	-	-	590
Public charges for services	-	-	-	-	-	-	-	-	100,753
Miscellaneous	557	1	1	3,538	236	-	797	95,116	356,171
<b>TOTAL REVENUE</b>	<b>557</b>	<b>1</b>	<b>1</b>	<b>2,156,436</b>	<b>236</b>	<b>-</b>	<b>797</b>	<b>1,445,682</b>	<b>20,174,939</b>
<b>EXPENDITURES</b>									
Current									
General government	-	-	-	-	-	37,905	-	38,676	165,178
Public works	-	-	-	-	-	-	-	6,303	6,303
Conservation and development	452	451	451	-	-	-	-	-	230,966
Debt service									
Principal	-	-	-	-	-	-	-	-	165,575
Interest	-	-	-	-	-	-	-	-	32,755
Other	-	-	-	-	-	-	-	-	59,500
Capital outlay	110,081	-	-	5,319,088	-	-	704,371	7,563,886	21,828,531
<b>TOTAL EXPENDITURES</b>	<b>110,533</b>	<b>451</b>	<b>451</b>	<b>5,319,088</b>	<b>-</b>	<b>37,905</b>	<b>704,371</b>	<b>7,608,865</b>	<b>22,488,808</b>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<b>(109,976)</b>	<b>(450)</b>	<b>(450)</b>	<b>(3,162,652)</b>	<b>236</b>	<b>(37,905)</b>	<b>(703,574)</b>	<b>(6,163,183)</b>	<b>(2,313,869)</b>
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	514,149	10,000	10,000	221,969	-	-	106,186	236,000	1,274,890
Operating transfers (out)	-	-	-	(207,169)	-	-	(116,409)	(470,678)	(8,308,383)
Sale of capital assets	-	-	-	46,795	-	30,991	-	-	77,786
Issuance of long-term debt	-	-	-	2,295,662	-	-	1,350,000	6,323,200	15,007,601
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>514,149</b>	<b>10,000</b>	<b>10,000</b>	<b>2,357,257</b>	<b>-</b>	<b>30,991</b>	<b>1,339,777</b>	<b>6,088,522</b>	<b>8,051,894</b>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<b>404,173</b>	<b>9,550</b>	<b>9,550</b>	<b>(805,395)</b>	<b>236</b>	<b>(6,914)</b>	<b>636,203</b>	<b>(74,661)</b>	<b>5,738,025</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>(9,409)</b>	<b>(9,409)</b>	<b>(9,409)</b>	<b>2,533,751</b>	<b>38,197</b>	<b>(36,036)</b>	<b>399,106</b>	<b>8,404,986</b>	<b>22,796,271</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 394,764</b>	<b>\$ 141</b>	<b>\$ 141</b>	<b>\$ 1,728,356</b>	<b>\$ 38,433</b>	<b>\$ (42,950)</b>	<b>\$ 1,035,309</b>	<b>\$ 8,330,325</b>	<b>\$ 28,534,296</b>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2021**

<u>ASSETS</u>	<u>STOCK ROOM</u>	<u>SELF INSURED HEALTH</u>	<u>S125 FLEX SPENDING</u>	<u>LIABILITY CLAIMS</u>	<u>WORKER'S COMPENSATION</u>	<u>FUEL MANAGEMENT</u>	<u>PAYROLL LIABILITIES</u>	<u>TOTALS</u>
<b>CURRENT ASSETS</b>								
Cash and investments	\$ 19,922	\$ 20,268,642	\$ 624,545	\$ 225,383	\$ 2,197,250	\$ 755,814	\$ 251,022	\$ 24,342,578
Accounts receivable								
Customer	-	26,449	7,216	-	-	-	281,008	314,673
Inventories	122,074	-	-	-	-	-	-	122,074
Prepays	-	23	-	-	-	-	12,975	12,998
<b>RESTRICTED ASSETS</b>								
Cash	-	-	-	-	14,641	-	-	14,641
<b>TOTAL ASSETS</b>	<b><u>\$ 141,996</u></b>	<b><u>\$ 20,295,114</u></b>	<b><u>\$ 631,761</u></b>	<b><u>\$ 225,383</u></b>	<b><u>\$ 2,211,891</u></b>	<b><u>\$ 755,814</u></b>	<b><u>\$ 545,005</u></b>	<b><u>\$ 24,806,964</u></b>
<b><u>LIABILITIES AND NET POSITION</u></b>								
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ -	\$ 5,008,263	\$ -	\$ 448,510	\$ 851,822	\$ -	\$ 257,145	\$ 6,565,740
Other	-	-	-	-	-	-	287,860	287,860
Unearned revenue - other	-	44,480	-	-	-	-	-	44,480
<b>TOTAL LIABILITIES</b>	<b><u>-</u></b>	<b><u>5,052,743</u></b>	<b><u>-</u></b>	<b><u>448,510</u></b>	<b><u>851,822</u></b>	<b><u>-</u></b>	<b><u>545,005</u></b>	<b><u>6,898,080</u></b>
<b>NET POSITION</b>								
Restricted for other	-	-	-	-	14,641	-	-	14,641
Unrestricted	141,996	15,242,371	631,761	(223,127)	1,345,428	755,814	-	17,894,243
<b>TOTAL NET POSITION</b>	<b><u>141,996</u></b>	<b><u>15,242,371</u></b>	<b><u>631,761</u></b>	<b><u>(223,127)</u></b>	<b><u>1,360,069</u></b>	<b><u>755,814</u></b>	<b><u>-</u></b>	<b><u>17,908,884</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 141,996</u></b>	<b><u>\$ 20,295,114</u></b>	<b><u>\$ 631,761</u></b>	<b><u>\$ 225,383</u></b>	<b><u>\$ 2,211,891</u></b>	<b><u>\$ 755,814</u></b>	<b><u>\$ 545,005</u></b>	<b><u>\$ 24,806,964</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	TOTALS
<b>OPERATING REVENUE</b>							
Interdepartmental sales	\$ -	\$ 10,756,526	\$ 481,474	\$ 130,827	\$ 444,016	\$ 3,410	\$ 11,816,253
Other revenues	346	415,964	28,748	51,114	83,378	-	579,550
<b>TOTAL OPERATING REVENUE</b>	<u>346</u>	<u>11,172,490</u>	<u>510,222</u>	<u>181,941</u>	<u>527,394</u>	<u>3,410</u>	<u>12,395,803</u>
<b>OPERATING EXPENSES</b>							
Plant and maintenance expenses:							
Salaries and wages	-	162,829	348,702	-	241,739	-	753,270
Supplies and expenses	-	3,216	-	-	-	-	3,216
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<u>-</u>	<u>166,045</u>	<u>348,702</u>	<u>-</u>	<u>241,739</u>	<u>-</u>	<u>756,486</u>
<b>GENERAL EXPENSES</b>							
Office supplies and other expenses	10,098	3,395	-	-	-	-	13,493
Outside services employed	-	58,854	-	-	-	4,489	63,343
Insurance expense	-	1,369,697	-	128,649	38,911	-	1,537,257
Employee benefits	-	13,492,777	-	-	-	-	13,492,777
Miscellaneous general expenses	-	17,577	-	-	-	-	17,577
<b>TOTAL GENERAL EXPENSES</b>	<u>10,098</u>	<u>14,942,300</u>	<u>-</u>	<u>128,649</u>	<u>38,911</u>	<u>4,489</u>	<u>15,124,447</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>10,098</u>	<u>15,108,345</u>	<u>348,702</u>	<u>128,649</u>	<u>280,650</u>	<u>4,489</u>	<u>15,880,933</u>
<b>OPERATING (LOSS) INCOME</b>	(9,752)	(3,935,855)	161,520	53,292	246,744	(1,079)	(3,485,130)
<b>NONOPERATING REVENUE</b>							
Interest income	-	132,394	3,484	-	-	4,641	140,519
<b>CHANGE IN NET POSITION</b>	(9,752)	(3,803,461)	165,004	53,292	246,744	3,562	(3,344,611)
<b>NET POSITION - BEGINNING OF YEAR</b>	151,748	19,045,832	466,757	(276,419)	1,113,325	752,252	21,253,495
<b>NET POSITION - END OF YEAR</b>	<u>\$ 141,996</u>	<u>\$ 15,242,371</u>	<u>\$ 631,761</u>	<u>\$ (223,127)</u>	<u>\$ 1,360,069</u>	<u>\$ 755,814</u>	<u>\$ 17,908,884</u>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2021**

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	PAYROLL LIABILITIES	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 346	\$ 315,645	\$ 37,719	\$ 51,114	\$ 83,378	\$ -	\$ -	\$ 488,202
Receipts from municipality	-	10,756,526	481,474	130,827	444,016	3,410	-	11,816,253
Payments to municipality								-
Payments to suppliers for goods and services	7,735	229,109	(63,413)	(217,109)	(120,460)	(4,489)	251,022	82,395
Payments for employees wages and benefits	-	(13,655,606)	(348,702)	-	(241,739)	-	-	(14,246,047)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>8,081</b>	<b>(2,354,326)</b>	<b>107,078</b>	<b>(35,168)</b>	<b>165,195</b>	<b>(1,079)</b>	<b>251,022</b>	<b>(1,859,197)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	-	132,394	3,484	-	-	4,641	-	140,519
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>8,081</b>	<b>(2,221,932)</b>	<b>110,562</b>	<b>(35,168)</b>	<b>165,195</b>	<b>3,562</b>	<b>251,022</b>	<b>(1,718,678)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>11,841</b>	<b>22,490,574</b>	<b>513,983</b>	<b>260,551</b>	<b>2,046,696</b>	<b>752,252</b>	<b>-</b>	<b>26,075,897</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 19,922</b>	<b>\$ 20,268,642</b>	<b>\$ 624,545</b>	<b>\$ 225,383</b>	<b>\$ 2,211,891</b>	<b>\$ 755,814</b>	<b>\$ 251,022</b>	<b>\$ 24,357,219</b>
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Operating (loss) income	\$ (9,752)	\$ (3,935,855)	\$ 161,520	\$ 53,292	\$ 246,744	\$ (1,079)	\$ -	\$ (3,485,130)
Changes in assets and liabilities								
Decrease (increase) in receivables - customers	-	(100,319)	8,971	-	-	-	(281,008)	(372,356)
Decrease in inventories	18,190	-	-	-	-	-	-	18,190
Decrease in prepaid expenses	-	9	-	-	-	-	(12,975)	(12,966)
(Decrease) increase in accounts payable	(357)	1,681,839	(63,413)	(88,460)	(81,549)	-	257,145	1,705,205
Total adjustments	17,833	1,581,529	(54,442)	(88,460)	(81,549)	-	251,022	1,625,933
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 8,081</b>	<b>\$ (2,354,326)</b>	<b>\$ 107,078</b>	<b>\$ (35,168)</b>	<b>\$ 165,195</b>	<b>\$ (1,079)</b>	<b>\$ 251,022</b>	<b>\$ (1,859,197)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>								
Cash and investments	\$ 19,922	\$ 20,268,642	\$ 624,545	\$ 225,383	\$ 2,197,250	\$ 755,814	\$ 251,022	\$ 24,342,578
Restricted cash	-	-	-	-	14,641	-	-	14,641
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 19,922</b>	<b>\$ 20,268,642</b>	<b>\$ 624,545</b>	<b>\$ 225,383</b>	<b>\$ 2,211,891</b>	<b>\$ 755,814</b>	<b>\$ 251,022</b>	<b>\$ 24,357,219</b>



**CITY OF LA CROSSE, WISCONSIN**

**OTHER REPORT**



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

To the Common Council  
City of La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse (the "City") as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated September 20, 2022.

**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 and therefore, material weaknesses or significant deficiencies may exist that have not been identified. We did identify a deficiency in internal control, described below that we consider to be a material weakness:

## 2021-001 - Material Audit Adjustments

Program: City-wide

Criteria: Generally accepted accounting principles

Condition: Material audit adjustments were required to prevent the City's financial statements from being materially misstated.

Questioned Costs: Not applicable.

Context: Internal controls did not identify that adjustments should be recorded.

Effect: This weakness could result in undetected errors and irregularities and misstated interim financial reports.

Information: Systematic problem.

Prior Year Finding: Prior year finding 2020-001.

Recommendation: Improve the City's financial reporting internal controls to prevent these types of adjustments from occurring in the future. Document which accounting procedures are needed to be completed on a recurring basis to detect material adjustments.

Management's Response: The City will incorporate financial reporting internal controls to detect material adjustments, prevent materially misstated financial statements and increase the accuracy of the interim financial reports used by management.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of La Crosse, Wisconsin's Response to Findings**

City of La Crosse, Wisconsin's response to the findings identified in our audit is described in the accompanying schedule of findings and questioned costs. City of La Crosse, Wisconsin's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **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  
September 20, 2022