

**CITY OF LA CROSSE, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2015**

# CITY OF LA CROSSE, WISCONSIN

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## **INDEPENDENT AUDITORS' REPORT**

To the Common Council  
City of La Crosse, Wisconsin

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Crosse, Wisconsin ("City"), as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

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

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of La Crosse, as of December 31, 2015, 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.

## **Emphasis of Matter**

As discussed in Note 1, the City of La Crosse has implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Standard No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 18, schedule of funding progress - post-employment healthcare benefits on page 60, budgetary comparison information on pages 61 and 62, and the Wisconsin Retirement System Schedules on page 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

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

The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate 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 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 a report dated June 30, 2016, 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 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 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  
June 30, 2016

**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, 2015**

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, 2015. 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**

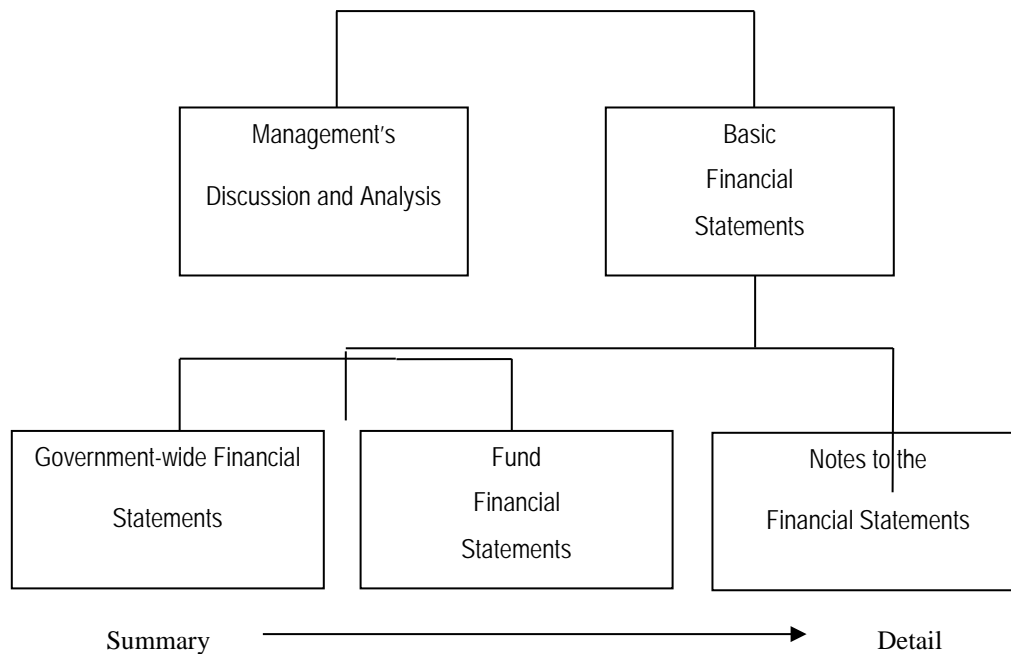
When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses can be considered the City's operating results. The City's net position as measured in the Statement of Net 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 hustle and bustle and beauty of our 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, 2015 by \$414,994,291 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$34,895,632.
- As of December 31, 2015, the City of La Crosse's governmental funds reported combined ending fund balances of \$85,483,008 a decrease of \$2,700,840 in comparison with the prior year. As of December 31, 2015, the unassigned fund balance for the general fund was \$21,452,207 or approximately 41.04% of total general fund expenditures.
- The City of La Crosse's total general obligation debt decreased by \$4,280,991 (-5.76%) during 2015. This decrease is attributable to the City's rapid debt retirement practice and the continued implementation of the City's debt model, which assists the City with planning and financing of future capital improvement projects. The City was able to fund \$9,475,000 in capital improvement projects as listed in the City's five year Capital Improvement Budget with 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 (i.e. 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 Utility, 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 300 individual government 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 Utility, Sanitary Sewer Utility, Sanitary Sewer District, Storm Water 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 Insurance 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 useful indicator of a government's financial condition. The assets of the City of La Crosse exceeded liabilities by \$414,994,291 as of December 31, 2015. The City's net position increased by \$34,895,632 for the fiscal year ended December 31, 2015. However, the largest portion (72.49%) 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

Figure 2

(In Thousands of dollars)

ASSETS	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Assets net of Capital Assets	\$168,436	\$162,494	\$30,387	\$26,000	\$198,823	\$188,494
Capital Assets not Depreciated	31,156	28,531	28,931	28,794	60,087	57,325
Capital Assets, net of Depreciation	<u>176,815</u>	<u>167,827</u>	<u>116,540</u>	<u>114,667</u>	<u>293,355</u>	<u>282,494</u>
TOTAL ASSETS	<u>\$376,407</u>	<u>\$358,852</u>	<u>\$175,858</u>	<u>\$169,461</u>	<u>\$552,265</u>	<u>\$528,313</u>
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	<u>6,731</u>	-	<u>581</u>	-	<u>7,312</u>	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 383,138</u>	<u>\$358,852</u>	<u>\$ 176,439</u>	<u>\$169,461</u>	<u>\$ 559,577</u>	<u>\$528,313</u>
<u>LIABILITIES, DEFERED INFLOWS OF RESOURCES, AND NET POSITION</u>						
LIABILITIES						
TOTAL LIABILITIES	<u>\$94,531</u>	<u>\$99,247</u>	<u>\$6,343</u>	<u>\$5,101</u>	<u>\$100,874</u>	<u>\$104,348</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue – tax roll	<u>\$43,550</u>	<u>\$43,723</u>	<u>\$159</u>	<u>\$144</u>	<u>\$43,709</u>	<u>\$43,867</u>
NET POSITION						
Net Investment in Capital Assets	\$158,535	\$141,110	\$142,302	\$141,976	\$300,837	\$283,086
Restricted For:						
Special Revenue	2,963	-	-	-	2,963	-
Debt Service	5,072	6,523	-	-	5,072	6,523
Capital Projects	32,657	34,445	2,405	-	35,062	34,445
Other Activities	12,836	-	1,108	2,576	13,944	2,576
Unrestricted	<u>32,994</u>	<u>33,804</u>	<u>24,122</u>	<u>19,665</u>	<u>57,115</u>	<u>53,469</u>
TOTAL NET POSITION	<u>\$245,057</u>	<u>\$215,882</u>	<u>\$169,937</u>	<u>\$164,217</u>	<u>\$414,993</u>	<u>\$380,099</u>
TOTAL LIABILITIES, DEFERED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$383,138</u>	<u>\$358,852</u>	<u>\$176,439</u>	<u>\$169,462</u>	<u>\$559,576</u>	<u>\$528,314</u>

An additional portion of the City's net position of \$57,041,769 (13.75%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$61,186,611 (14.74%) may be used to meet the government's ongoing obligations to citizens or creditors.

The City's total net position increased \$34,895,632 during the year. This increase was comprised of an increase in business type activities of \$7,616,805 and an increase in the governmental type activities of \$16,309,734 during the year.

At the end of the current fiscal year, the City of La Crosse is able to report positive balances in all three categories of net position, for the government as a whole as well as for its separate governmental and business-type activities.

### **Governmental Activities**

Governmental activities increased the City of La Crosse's net position by \$16,309,734. Key elements of this increase are:

- Revenues were on a comparable level in 2015 versus 2014. The City compensated for reduced State aids by implementing new user fees and reviewing and updating existing fees and charges.
- The City's share of property taxes decreased by \$533,485 (1.54%) from 2014 to 2015. Departments were required to keep 2015 budgets at 2014 levels unless increases were justified and approved by the Council. Minimal increases were granted for 2015 in various departments, mostly due to increases on "uncontrollable" items such as utilities and supplies. \$80,771 was appropriated from fund balance and applied to the 2015 budget to maintain a steady levy and remain in compliance with State laws governing levy limits and expenditure restraint.
- Expenditures were at slightly lower level for 2015 compared to 2014, generally due in part to conscientious budget oversight by Department Heads, the Mayor, and the Common Council. The City was able to somewhat offset increases in department expenses, utilizing "tools" provided by the State. General employees are now required to pay 50% of the required Wisconsin Requirement System contribution that was previously paid 100% by the City.
- The practice of annually contracting for approximately 2/3 of the City's annual fuel needs in advance that started in 2009 was increased to approximately 95% in 2014 and contributed significantly towards favorable department fuel expense variances for those departments with fuel expenses.
- Employees' share of health insurance premiums decreased slightly in 2015 versus 2014. Plan design changes, union contract negotiated increases in premiums, deductibles, office co-pays, and drug co-pays are having an impact on the City's self-insurance health fund and allowed for no increase in the funding for health insurance even though the national trend continues to rise. The City offers annual health risk assessment (HRA) opportunities to its employees and families as a proactive measure to curb potential future health insurance costs. Employees and their spouses are encouraged to participate in the health risk assessment program and are able to receive reduced monthly premium costs as an incentive to participate.

Figure 3 which follows provides summarized operating results and their impact on net assets.

City of La Crosse, Wisconsin's Changes in Net Position

Figure 3

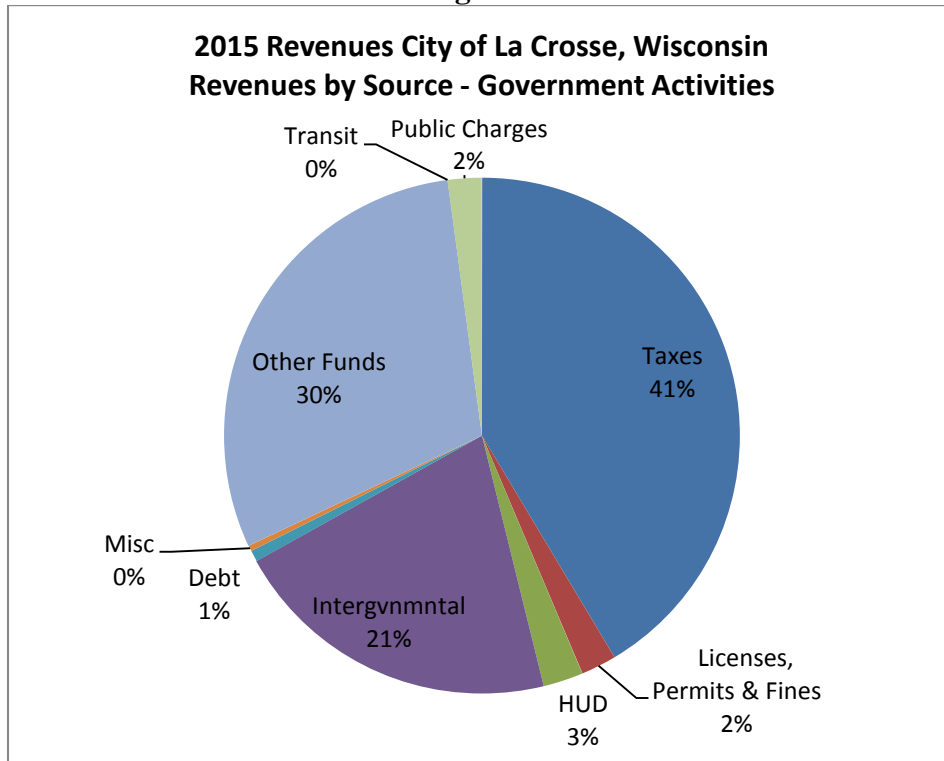
(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Revenues:						
Program revenues:						
Charges for services	\$15,920	\$13,750	\$19,613	\$18,795	\$35,533	\$32,545
Grants & contributions	11,303	11,153	--	1,230	11,303	12,383
General revenues:						
Taxes	45,840	45,208	--	--	45,840	45,208
State shared revenue	13,199	14,073	--	--	13,199	14,073
Interest and investment income	574	337	62	42	636	379
Miscellaneous	415	1,734	23	17	438	1,751
Total revenues	<u>\$87,251</u>	<u>\$86,255</u>	<u>\$19,698</u>	<u>\$20,084</u>	<u>\$106,949</u>	<u>\$106,339</u>
Expenses:						
General government	\$7,425	\$6,551	\$--	\$--	\$7,425	\$6,551
Public safety	26,799	24,721	--	--	26,799	24,721
Public works	14,801	17,961	--	--	14,801	17,961
Health and human services	339	231	--	--	339	231
Culture, recreation & education	17,142	16,792	--	--	17,142	16,792
Conservation & development	7,205	8,377	--	--	7,205	8,377
Principal, Interest & Fiscal Charges	2,268	2,653	--	--	2,268	2,653
Airport	--	--	3,797	3,466	3,797	3,466
Parking	--	--	2,179	2,049	2,179	2,049
Water	--	--	4,026	4,044	4,026	4,044
Sanitary Sewer	--	--	73	70	73	70
Storm Water	--	--	822	771	822	771
Other business-type activities	--	--	5,844	5,397	5,844	5,397
Total expenses	<u>\$75,979</u>	<u>\$77,286</u>	<u>\$16,741</u>	<u>\$15,797</u>	<u>\$92,720</u>	<u>\$93,083</u>
Change in Net Position before transfers and Special items	\$11,272	\$8,969	\$2,957	\$4,287	\$14,229	\$13,256
Special Items	--	--	--	--	--	--
Transfers	<u>2,545</u>	<u>(1268)</u>	<u>(2,545)</u>	<u>1,268</u>	<u>(0)</u>	<u>(0)</u>
Change in net position	\$16,310	\$7,701	\$7,617	\$5,555	\$23,927	\$13,256
Net position, beginning of year as restated	<u>215,882</u>	<u>208,181</u>	<u>164,217</u>	<u>158,662</u>	<u>380,099</u>	<u>366,843</u>
<b>Net position, end of year</b>	<b><u>\$245,058</u></b>	<b><u>\$215,882</u></b>	<b><u>\$169,937</u></b>	<b><u>\$164,217</u></b>	<b><u>\$414,994</u></b>	<b><u>\$380,099</u></b>

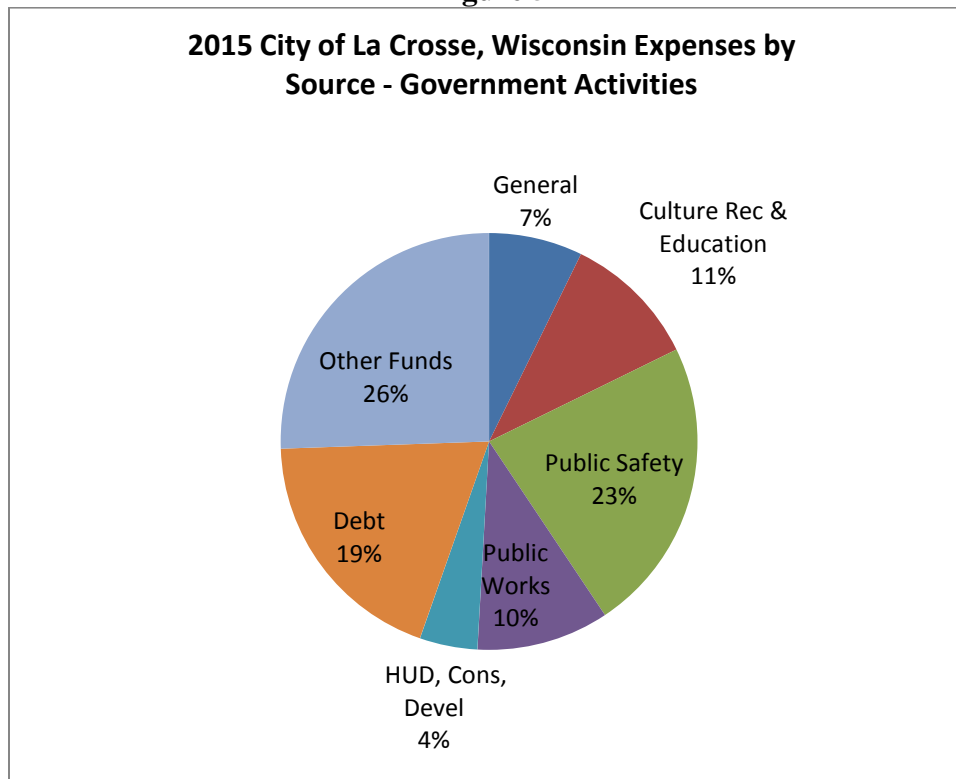
No major variances were noted in the governmental activities expenditures in 2015. City departments in general were well within their approved budgets.

Figure 4 and Figure 5 which follow depict revenues by source and expenses by function respectively for the year 2015.

**City of La Crosse, Wisconsin – Revenue by Source**  
**Figure 4**



**City of La Crosse, Wisconsin – Expenses by Function**  
**Figure 5**

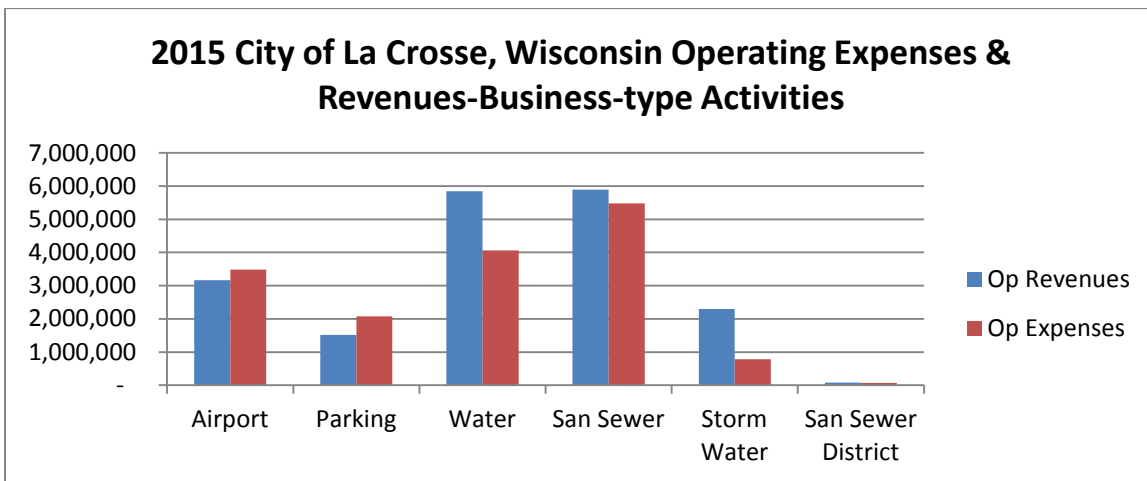


## Business-Type Activities

Business-type activities increased the City’s net position by \$7,616,805. The major contributing factors to this increase for the business-type activities are as follows: 1) the implementation of a Storm Water Utility in 2012, 2) the Water Utility is self supporting, operating on the 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 rate base. The City Council now requires that future water rates be reviewed every two years. 3) the Sanitary Sewer Utility rates were increased January 1, 2015. A full review of Sanitary Sewer rates was completed and approved by the City Council in 2014, and resulted in a rate increase of approximately 10%. 4) 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, and 5) the Parking Utility’s net assets decreased by approximately \$666,776 due to depreciation of current assets.

Figure 6 (below) shows the operating revenues and expenses for 2015 for the Business-type activities.

**City of La Crosse, Wisconsin – Business Type Activities Expense & Revenue**  
**Figure 6**



## 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, 2015, the City of La Crosse's governmental funds reported combined ending fund balances of \$82,483,008. \$25,209,392 of this amount is attributable to the General Fund balance and is designated as follows: \$2,204,708 or approximately 8.7% was designated as "Nonspendable", \$1,707,997 or approximately 6.8% was designated as "Committed" and \$21,452,207 or approximately 85.1% was designated as "Unassigned".

The General Fund is the chief operating fund of the City of La Crosse, Wisconsin. As of December 31, 2015, the total fund balance of the general fund was \$25,209,392 of which \$21,452,207 was designated as "Unassigned." This "Unassigned" fund balance represents approximately 41.05% of total general fund expenditures for 2015. The general fund balance increased by \$1,708,559 in fiscal year 2015. Additionally, the 2015 annual program budget for the City's general fund identified a use of fund balance for items to be carried forward from the 2015 budget to the 2016 budget of \$1,593,874, \$555,755 of the total was for capital expenditures. Actual expenditures were less than final amended budgeted expenditures by approximately 4.94% or \$2,716,622. Actual revenue sources were more than the original amended budgeted revenues in the general fund by \$1,414,568 or approximately 2.48%.

The budget revenues were higher primarily due to:

- Intergovernmental charges to departments and utilities for services and products due mainly to the higher costs of fuel oil, natural gas, electricity, and the redistribution of internal service charges.
- Public charges for services, licenses, and permits being slightly higher overall because of the continuing review and appropriate readjustment of those fees.

The budget expenditures were less primarily due to:

- Across the board departmental favorable variances.
- A conscientious delay in "filling" various departmental position vacancies fully funded in the budget based on individual review of need.
- Negotiated Union contract settlements that provided for a larger share of employee participation in the City's self-funded health insurance program as required by the State.
- The State requiring "general" City employees to contribute 50% of the required pension contribution to the Wisconsin Retirement System previously paid 100% by the City.
- Increased employee/elected official education and awareness regarding internal and external factors that affect the City's budget operations.

### **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.



City of La Crosse, Wisconsin's Net Position  
Business-type Funds

Figure 7

(In Thousands of dollars)

	Net Position		Change in Net Position	
	2015	2014	2015	2014
Airport	\$58,632	\$57,595	\$1,037	\$2,804
Parking Utility	32,263	32,845	(582)	(667)
Sanitary Sewer Utility	38,451	37,470	981	394
Sanitary Sewer District	606	609	(3)	10
Storm Water Utility	7,314	4,654	2,660	1,767
Water Utility	30,684	29,514	1,170	1,010
TOTAL	<u>\$167,950</u>	<u>\$162,687</u>	<u>\$5,263</u>	<u>\$5,318</u>

### General Fund Budgetary Highlights

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

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

Actual revenues and other sources were more than budgeted revenues by \$1,414,568. Actual expenditures were less than budgeted expenditures by \$2,716,622.

Revenues exceeded budgetary estimates and expenditures came in under budget, the City's General Fund "Unassigned" balance increased by \$1,770,401. Additionally there was a reassignment of the City's "Unassigned" fund balance to "Committed" fund balance for the following: \$1,707,997 for Fire Department Heavy Rescue, La Crosse Center Renovation, and Neighborhood Capital Improvements. The City's General Fund combined balance is 48.23% of 2015 General Fund actual expenditures.

### Capital Asset and Debt Administration

#### Capital Assets

The City of La Crosse's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$353,441,838 (net of accumulated depreciation), an increase of \$13,623,467 (4.01%). 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 an \$11,612,373 (5.91%) increase for governmental activities and a \$2,011,094 (1.40%) increase for business-type activities.

Major capital asset projects/transactions that occurred previously or were scheduled to occur during 2015 included the following:

1. Continuation of the Three Rivers Plaza economic development retail/housing/office complex on the north end of the downtown area in Tax Increment Financing District #12 and related expenses - approximately \$5,550,000 total City investment. The boundaries for this TID were expanded in 2010 to accommodate additional future development to the west known as the Mobil Oil/Patros property. The City has undergone a Charrette process to determine the best use of this property.
2. Continuation of the Logistics Health (LHI), Cargill, and Piggy's Riverside redevelopment project in Tax Incremental Financing District #11 (downtown area) - approximately \$15,500,000 total City investment. Construction on a third LHI building and City parking ramp in the area started in 2010 was completed in the fall of 2011. In January of 2012 the City completed the purchase of this parking ramp from the Riverside Center group. The City completed construction of a \$32 million public/private multi-use Transit Center/Housing (92 units)/Commercial/Retail facility in September of 2010. The City is now in negotiations with the Riverside Center group to construct a fourth building in the area on an existing City owned surface parking lot. In 2015 the City began expansion of the Riverside Center Ramp. In 2013 the City created Tax Incremental Financing District #15 on the southeast end of the City to assist Chart Industries and the Trane Company with expansion projects through the use of developer's agreements.
3. In 2014 the City created Tax Incremental Financing District #16 on the northeast end of the City to assist with a mixed use development. Estimated assessed value is \$5.5 million.
4. In 2015 the City created Tax Incremental Financing District #17. The development of Lot C began in 2015 with an estimated assessed value of \$35 million and will be comprised of commercial and residential. A parking facility will be constructed for an estimated cost of \$17 million.

The following capital improvement projects for 2015 are contained and financed in the City's 2015-2019 five year Capital Improvement Program budget:

1. Airport terminal building upgrades - \$7,625,000 project completed.
2. Initial Radio Communication system replacement project – approximately \$2,000,000 of an estimated \$8,000,000.00 project.
3. Capital Equipment purchases for various departments - approximately \$1,175,000.
4. Various Park projects - approximately \$2,000,000.00.
5. Continuing upgrades to the Sanitary Sewer infrastructure - approximately \$810,400.00.
6. Storm water improvement projects - approximately \$578,000.00.
7. Various street and streetscaping improvement projects - approximately \$8,058,000.00.
8. Various Tax Incremental Financing District projects - approximately \$10,310,647.00
9. Miscellaneous Water projects - approximately \$473,900.00.

City of La Crosse, Wisconsin's Capital Assets

Figure 8

(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
Land and land improvements	\$9,933	\$9,250	\$8,657	\$8,647	\$18,590	\$17,897
Buildings and improvements	83,283	81,932	26,928	26,745	110,211	108,677
Machinery and equipment	33,167	31,357	22,866	21,896	56,033	53,253
Infrastructure/systems	141,899	132,506	119,318	115,361	261,217	247,867
Construction in progress	21,223	19,281	24,225	24,096	45,448	43,377
Less: Accumulated depreciation	<u>(81,535)</u>	<u>(77,968)</u>	<u>(56,523)</u>	<u>(53,285)</u>	<u>(138,058)</u>	<u>(131,253)</u>
TOTAL	<u>\$207,970</u>	<u>\$196,358</u>	<u>\$145,471</u>	<u>\$143,460</u>	<u>\$535,441</u>	<u>\$339,818</u>

**Long-Term Debt**

The City's bond rating is AA+ by Standard & Poors. The City is able to borrow at a lesser interest rate for capital projects included in its annual capital improvement budget and for other special projects.

At the end of the 2015 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$70,066,989 entirely backed by the full faith and credit of the government. This represents a decrease of \$4,280,991 compared to the total general obligation debt outstanding as of the end of fiscal year 2014. This decrease is due primarily to scheduled borrowing and structured repayment of principle and interest in accordance with the City's debt model.

In 2015, the City sold three bond issues. The issues were dated April 9, 2015. Issue A was a 10 year corporate purpose bond for \$1,645,000 at a net interest rate of 2.1134327%. Issue B was a 10 year airport bond for \$1,975,000 at a net interest rate of 2.2039189%. Issue C was a 10 year promissory note for \$4,660,000 at a net interest rate of 1.4473390%. These issues funded the City's \$8,280,000 annual capital improvement program budget and the various projects: Street and Streetscaping projects, Bridge projects, Storm Sewer projects, Fire projects, Water Projects, Library projects, Park projects, Airport projects and Miscellaneous Tax Incremental Financing projects. The issue was rated AA+ by Standard & Poors.

Wisconsin State Statutes limit the amount of general obligation debt a governmental entity may issue 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 City has adopted a rapid debt retirement policy in that debt will not be borrowed for a period of more than 10 years unless approved by the City Council. The current legal debt limitation for the City of La Crosse is \$166,416,230 and its outstanding debt subject to State statutory limit at December 31, 2015 is \$70,066,989, or approximately 42.10%.

City of La Crosse, Wisconsin's Outstanding Long-Term Obligations

Figure 9

(In Thousands of dollars)

	Governmental Activities		Business-Type Activities		Total	
	2015	2014	2015	2014	2015	2014
General obligation bonds/notes	\$67,768	\$73,710	\$3,169	\$1,485	\$70,937	\$75,195
Mortgage revenue bonds	--	--	--	--	--	--
Other long-term obligations	16,542	15,529	2,470	2,609	19,012	18,138
TOTAL	<u>\$84,310</u>	<u>\$89,239</u>	<u>\$5,639</u>	<u>\$4,094</u>	<u>\$89,949</u>	<u>\$93,333</u>

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

- The 2015 unadjusted unemployment rate for the La Crosse MSA was 4.6% compared to the State average of 5.4%, which compares to the National average of 6.1%.
- Inflationary trends in the region are comparable to national indices.
- The total value of building permits in 2015 was \$95,408,421 through November 2015 as compared to 2014 with \$110,593,088 and 2013 with \$114,427,755.

**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. Question 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, 2015

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>GOVERNMENTAL ACTIVITIES</u>	<u>BUSINESS-TYPE ACTIVITIES</u>	<u>TOTAL</u>
<b>ASSETS</b>			
Cash and investments	\$ 107,519,244	\$ 15,774,768	\$ 123,294,012
Restricted cash and investments	-	2,405,114	2,405,114
Receivables			
Taxes	43,625,188	721,172	44,346,360
Accounts and other	1,795,303	3,618,758	5,414,061
Special assessments	282,605	-	282,605
Current portion of loans receivable	463,563	-	463,563
Internal balances	(4,645,939)	4,645,939	-
Due from other governments	679,131	-	679,131
Net pension asset (Wisconsin Retirement System)	6,105,492	526,869	6,632,361
Inventories	273,763	272,779	546,542
Prepaid items	130,715	2,411,309	2,542,024
Special assessments	721,736	6,278	728,014
Loans receivable	11,486,233	-	11,486,233
Other property	-	3,375	3,375
Capital assets not being depreciated	31,155,720	28,931,292	60,087,012
Capital assets, net of accumulated depreciation	<u>176,814,738</u>	<u>116,540,088</u>	<u>293,354,826</u>
<b>TOTAL ASSETS</b>	<b>376,407,492</b>	<b>175,857,741</b>	<b>552,265,233</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System pension	<u>6,730,528</u>	<u>580,808</u>	<u>7,311,336</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 383,138,020</u></b>	<b><u>\$ 176,438,549</u></b>	<b><u>\$ 559,576,569</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>			
<b>LIABILITIES</b>			
Accounts payable	\$ 7,714,806	\$ 518,852	\$ 8,233,658
Accrued liabilities			
Payroll, payroll taxes	1,680,388	184,765	1,865,153
Interest	195,270	-	195,270
Other	104,686	-	104,686
Due to other governments	31,114	-	31,114
Due to others	241,520	-	241,520
Unearned revenue	252,260	-	252,260
Current portion of long-term obligations	20,756,785	1,786,949	22,543,734
Noncurrent portion of long-term obligations	<u>63,553,841</u>	<u>3,851,951</u>	<u>67,405,792</u>
<b>TOTAL LIABILITIES</b>	<b><u>94,530,670</u></b>	<b><u>6,342,517</u></b>	<b><u>100,873,187</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - tax roll	<u>43,549,609</u>	<u>159,482</u>	<u>43,709,091</u>
<b>NET POSITION</b>			
Net investment in capital assets	158,534,965	142,302,058	300,837,023
Restricted for:			
Special revenue	2,963,435	-	2,963,435
Debt service	5,072,334	-	5,072,334
Capital projects	32,657,189	2,405,114	35,062,303
Other activities	12,836,020	1,107,677	13,943,697
Unrestricted	<u>32,993,798</u>	<u>24,121,701</u>	<u>57,115,499</u>
<b>TOTAL NET POSITION</b>	<b><u>245,057,741</u></b>	<b><u>169,936,550</u></b>	<b><u>414,994,291</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES,     AND NET POSITION</b>	<b><u>\$ 383,138,020</u></b>	<b><u>\$ 176,438,549</u></b>	<b><u>\$ 559,576,569</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2015**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUE AND CHANGES IN NET POSITION		
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS
<b>GOVERNMENTAL ACTIVITIES</b>							
General government	\$ 7,425,018	\$ 3,208,703	\$ 978,429	\$ 5,727	\$ (3,232,159)		\$ (3,232,159)
Public safety							
Law enforcement	15,390,200	882,479	1,167,794	565,879	(12,774,048)		(12,774,048)
Fire protection	10,678,273	95,325	158,274	121,268	(10,303,406)		(10,303,406)
Other public safety	730,556	-	-	-	(730,556)		(730,556)
Public works							
Transportation	12,411,592	3,442,416	6,112,345	6,537	(2,850,294)		(2,850,294)
Storm sewer	27,817	16,392	8,224	-	(3,201)		(3,201)
Docks and harbors	20,086	55,711	-	-	35,625		35,625
Sanitation	2,341,808	25,585	181,458	-	(2,134,765)		(2,134,765)
Health and human services	338,724	1,446	-	-	(337,278)		(337,278)
Culture, recreation, and education							
Library	5,822,390	210,269	432,170	-	(5,179,951)		(5,179,951)
Auditorium	4,552,874	3,957,911	-	-	(594,963)		(594,963)
Parks and recreation	6,767,020	2,155,308	361,542	952,872	(3,297,298)		(3,297,298)
Conservation and development	7,204,989	1,868,609	1,902,805	840,200	(2,593,375)		(2,593,375)
Interest and fiscal charges	2,267,958	-	-	-	(2,267,958)		(2,267,958)
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>75,979,305</b>	<b>15,920,154</b>	<b>11,303,041</b>	<b>2,492,483</b>	<b>(46,263,627)</b>		<b>(46,263,627)</b>
<b>BUSINESS-TYPE ACTIVITIES</b>							
Municipal Airport	3,796,918	3,084,081	-	6,145,500		\$ 5,432,663	5,432,663
Parking Utility	2,178,851	1,700,417	-	-		(478,434)	(478,434)
Water Utility	4,025,761	5,872,551	-	67,552		1,914,342	1,914,342
Sewer Utility	5,843,830	6,591,047	-	-		747,217	747,217
Storm Water Utility	822,420	2,295,560	-	990,785		2,463,925	2,463,925
Sanitary Sewer District	73,087	69,427	-	-		(3,660)	(3,660)
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>16,740,867</b>	<b>19,613,083</b>	<b>-</b>	<b>7,203,837</b>		<b>10,076,053</b>	<b>10,076,053</b>
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 92,720,172</b>	<b>\$ 35,533,237</b>	<b>\$ 11,303,041</b>	<b>\$ 9,696,320</b>	<b>(46,263,627)</b>	<b>10,076,053</b>	<b>(36,187,574)</b>
<b>GENERAL REVENUE</b>							
Taxes							
Property taxes, levied for general purposes					34,150,115	-	34,150,115
Tax increments					8,802,877	-	8,802,877
Other taxes					2,887,464	-	2,887,464
Intergovernmental revenue not restricted to specific programs					13,199,321	-	13,199,321
Interest and investment income					573,884	62,353	636,237
Miscellaneous					414,935	23,164	438,099
<b>TRANSFERS</b>					2,544,765	(2,544,765)	-
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<b>62,573,361</b>	<b>(2,459,248)</b>	<b>60,114,113</b>
<b>CHANGE IN NET POSITION</b>					<b>16,309,734</b>	<b>7,616,805</b>	<b>23,926,539</b>
<b>NET POSITION - BEGINNING</b>					<b>215,881,729</b>	<b>164,216,930</b>	<b>380,098,659</b>
<b>PRIOR PERIOD ADJUSTMENT</b>					<b>-</b>	<b>(3,004,997)</b>	<b>(3,004,997)</b>
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>					<b>12,866,278</b>	<b>1,107,812</b>	<b>13,974,090</b>
<b>NET POSITION - ENDING</b>					<b>\$ 245,057,741</b>	<b>\$ 169,936,550</b>	<b>\$ 414,994,291</b>

The accompanying notes are an integral part of these financial statements.



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

**CITY OF LA CROSSE, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	GENERAL FUND	HUD PROGRAMS	BONDED CAPITAL PROJECTS	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
Cash and investments	\$ 24,146,908	\$ 1,648,020	\$ 16,505,473	\$ 3,673,164	\$ 41,956,508	\$ 87,930,073
Receivables						
Taxes	34,855,580	-	-	-	8,769,608	43,625,188
Accounts and other	630,505	9,252	3,767	-	753,719	1,397,243
Special assessments	-	-	-	-	1,004,341	1,004,341
Loans	40,470	8,839,997	367,772	1,778,046	923,511	11,949,796
Due from other funds	975,326	-	-	-	-	975,326
Due from other governments	122,280	109,339	27,716	-	419,796	679,131
Inventories	-	-	-	-	136,816	136,816
Prepaid items	22,128	-	-	-	18,704	40,832
Advances to other funds	1,951,988	15,000	32,081	1,400,000	1,705,243	5,104,312
<b>TOTAL ASSETS</b>	<b><u>\$ 62,745,185</u></b>	<b><u>\$ 10,621,608</u></b>	<b><u>\$ 16,936,809</u></b>	<b><u>\$ 6,851,210</u></b>	<b><u>\$ 55,688,246</u></b>	<b><u>\$ 152,843,058</u></b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>						
<u>LIABILITIES</u>						
Accounts payable	\$ 1,027,249	\$ 24,695	\$ 296,364	\$ 830	\$ 1,282,541	\$ 2,631,679
Accrued liabilities	1,624,028	-	-	-	157,919	1,781,947
Due to other funds	-	-	982,900	-	23,519	1,006,419
Due to other governments	-	-	-	-	31,114	31,114
Due to others	-	-	-	-	241,520	241,520
Unearned revenue	104,515	8,839,997	367,772	1,778,046	1,286,181	12,376,511
Advances from other funds	-	-	-	-	7,732,035	7,732,035
<b>TOTAL LIABILITIES</b>	<b><u>2,755,792</u></b>	<b><u>8,864,692</u></b>	<b><u>1,647,036</u></b>	<b><u>1,778,876</u></b>	<b><u>10,754,829</u></b>	<b><u>25,801,225</u></b>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue						
Tax roll	34,780,001	-	-	-	8,769,608	43,549,609
Special assessments	-	-	-	-	1,009,216	1,009,216
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>34,780,001</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>9,778,824</u></b>	<b><u>44,558,825</u></b>
<u>FUND BALANCES</u>						
Nonspendable	2,049,188	-	-	-	155,520	2,204,708
Restricted	-	1,756,916	15,289,773	5,072,334	18,573,935	40,692,958
Committed	1,707,997	-	-	-	17,986,100	19,694,097
Unassigned	21,452,207	-	-	-	(1,560,962)	19,891,245
<b>TOTAL FUND BALANCES</b>	<b><u>25,209,392</u></b>	<b><u>1,756,916</u></b>	<b><u>15,289,773</u></b>	<b><u>5,072,334</u></b>	<b><u>35,154,593</u></b>	<b><u>82,483,008</u></b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 62,745,185</u></b>	<b><u>\$ 10,621,608</u></b>	<b><u>\$ 16,936,809</u></b>	<b><u>\$ 6,851,210</u></b>	<b><u>\$ 55,688,246</u></b>	<b><u>\$ 152,843,058</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2015**

Fund balances - total governmental funds		\$ 82,483,008
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in government activities are not financial resources and, therefore, are not reported in the fund.		207,970,458
Some revenue is unavailable in the funds because they are not available to pay current period expenditures.		13,195,077
Wisconsin Retirement System net pension asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements.		12,836,020
Long-term liabilities are not due and payable in the current period and therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities - both current and long-term - are reported in the statement of net assets.		
Accrued interest payable	\$ (195,270)	
Bonds and notes payable	(67,768,311)	
Compensated absences	(2,301,574)	
OPEB liability	<u>(14,240,741)</u>	
		(84,505,896)
Internal service funds assets and liabilities	\$ 15,066,197	
Receivable from business-type funds for internal service activity	<u>(1,987,123)</u>	<u>13,079,074</u>
<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$245,057,741</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	GENERAL FUND	HUD PROGRAMS	BONDED CAPITAL PROJECTS	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>						
Taxes	\$ 36,083,515	\$ -	\$ -	\$ -	\$ 9,756,941	\$ 45,840,456
Special assessments	-	-	-	-	322,434	322,434
Intergovernmental	15,372,951	1,377,037	185	-	7,079,434	23,829,607
Licenses and permits	2,019,707	-	-	-	205,392	2,225,099
Fines, forfeits, and penalties	18,266	-	-	-	755,794	774,060
Public charges for services	2,118,975	333,183	-	-	5,187,975	7,640,133
Intergovernmental charges for services	2,358,582	-	-	-	272,174	2,630,756
Miscellaneous	421,139	782,637	271,652	373,811	5,356,051	7,205,290
<b>TOTAL REVENUE</b>	<u>58,393,135</u>	<u>2,492,857</u>	<u>271,837</u>	<u>373,811</u>	<u>28,936,195</u>	<u>90,467,835</u>
<b>EXPENDITURES</b>						
Current						
General government	6,696,135	-	-	-	229,910	6,926,045
Public safety	21,465,463	-	-	-	1,198,156	22,663,619
Public works	10,072,792	-	-	-	5,680,188	15,752,980
Health and human services	133,871	-	-	-	190,909	324,780
Culture, recreation, and education	10,016,969	-	-	-	4,758,840	14,775,809
Conservation and development	2,088,480	2,252,152	-	-	2,212,252	6,552,884
Capital outlay	1,790,357	-	8,567,330	-	10,094,671	20,452,358
Debt service						
Principal	-	-	-	13,842,334	-	13,842,334
Interest and other fiscal charges	-	-	-	2,544,586	9,217	2,553,803
<b>TOTAL EXPENDITURES</b>	<u>52,264,067</u>	<u>2,252,152</u>	<u>8,567,330</u>	<u>16,386,920</u>	<u>24,374,143</u>	<u>103,844,612</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>6,129,068</u>	<u>240,705</u>	<u>(8,295,493)</u>	<u>(16,013,109)</u>	<u>4,562,052</u>	<u>(13,376,777)</u>
<b>OTHER FINANCING (USES) SOURCES</b>						
Operating transfers in	16,817,877	554,014	-	16,676,697	6,999,103	41,047,691
Operating transfers out	(21,413,179)	(554,014)	(1,630,269)	(2,113,667)	(12,293,048)	(38,004,177)
Issuance of long-term debt	174,793	-	7,451,080	-	6,550	7,632,423
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<u>(4,420,509)</u>	<u>-</u>	<u>5,820,811</u>	<u>14,563,030</u>	<u>(5,287,395)</u>	<u>10,675,937</u>
<b>NET CHANGE IN FUND BALANCES</b>	1,708,559	240,705	(2,474,682)	(1,450,079)	(725,343)	(2,700,840)
<b>FUND BALANCES - BEGINNING</b>	<u>23,500,833</u>	<u>1,516,211</u>	<u>17,764,455</u>	<u>6,522,413</u>	<u>35,879,936</u>	<u>85,183,848</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 25,209,392</u>	<u>\$ 1,756,916</u>	<u>\$ 15,289,773</u>	<u>\$ 5,072,334</u>	<u>\$ 35,154,593</u>	<u>\$ 82,483,008</u>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES**  
**OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2015**

Net change in fund balances - total governmental funds		\$ (2,700,840)
<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	\$ 20,452,358	
Less noncapitalized outlay	(3,445,343)	
Depreciation expense reported in the statement of activities	<u>(5,053,175)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		11,953,840
The net effect of various miscellaneous transactions involving capital assets (i.e., loss on disposal of assets) is to decrease net position:		
		(341,467)
Some capital assets acquired during the year were financed with long-term debt. The amount of the long-term debt is reported in the governmental funds as a source of financing. In the statement of net position, however, long-term debt is not reported as a financing source, but rather constitutes a long-term liability. The amount of long-term debt issued in the governmental funds statement is:		
		(7,632,423)
Wisconsin Retirement System net pension asset and deferred outflows of resources changes.		
		(30,258)
Net change due to internal services funds incorporated into the statement of activities.		
Transfers from business-type funds for internal service fund activity.	\$ 2,796,306	
	<u>(457,122)</u>	2,339,184
Certain employee benefits are reported in the government funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
This year the accrual of these benefits increased by:		(37,834)
OPEB expense is not reported in the governmental funds.		
		(975,028)
Certain revenue is 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, primarily special assessments.		
		100,633
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:	\$ 13,842,334	
Less amount for business-type activities:	<u>(243,854)</u>	13,598,480
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:		(24,760)
In governmental funds interest payments on outstanding debt are reported as an expenditure when paid. In the statement of activities interest is reported as it accrues.		
The amount of interest paid during the current period	\$ 2,521,128	
The amount of interest accrued during the current period	<u>(2,460,921)</u>	
Interest paid is greater than interest accrued by:		<u>60,207</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 16,309,734</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2015**

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	MUNICIPAL AIRPORT	PARKING UTILITY	WATER UTILITY	SEWER UTILITY	NONMAJOR STORM WATER UTILITY	NONMAJOR SANITARY SEWER DISTRICT	TOTALS	INTERNAL SERVICE
<b><u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u></b>								
<b>ASSETS</b>								
<b>CURRENT ASSETS</b>								
Cash and investments	\$ 2,849,988	\$ 1,972,713	\$ 3,819,826	\$ 2,811,308	\$ 4,084,791	\$ 236,142	\$ 15,774,768	\$ 19,589,171
Restricted cash - DNR replacement fund	-	-	-	2,405,114	-	-	2,405,114	-
Taxes receivable	-	105,027	310,141	221,528	84,476	-	721,172	-
Accounts receivable	248,378	403,328	1,231,414	1,226,692	447,800	61,146	3,618,758	398,060
Due from other funds	-	-	932,683	12,627	61,109	-	1,006,419	-
Inventories	-	-	272,779	-	-	-	272,779	136,947
Prepaid items	2,409,430	335	562	707	275	-	2,411,309	89,883
<b>TOTAL CURRENT ASSETS</b>	<u>5,507,796</u>	<u>2,481,403</u>	<u>6,567,405</u>	<u>6,677,976</u>	<u>4,678,451</u>	<u>297,288</u>	<u>26,210,319</u>	<u>20,214,061</u>
<b>NONCURRENT ASSETS</b>								
<b>CAPITAL ASSETS</b>								
Property, plant, and equipment	45,360,614	38,273,287	41,782,835	49,645,692	2,082,076	624,934	177,769,438	-
Construction in progress	23,061,315	44,801	178,286	149,540	790,985	-	24,224,927	-
<b>TOTAL CAPITAL ASSETS</b>	<u>68,421,929</u>	<u>38,318,088</u>	<u>41,961,121</u>	<u>49,795,232</u>	<u>2,873,061</u>	<u>624,934</u>	<u>201,994,365</u>	<u>-</u>
Less accumulated depreciation	13,270,371	10,253,826	14,909,050	17,745,764	28,196	315,778	56,522,985	-
<b>NET CAPITAL ASSETS</b>	<u>55,151,558</u>	<u>28,064,262</u>	<u>27,052,071</u>	<u>32,049,468</u>	<u>2,844,865</u>	<u>309,156</u>	<u>145,471,380</u>	<u>-</u>
<b>OTHER ASSETS</b>								
Net pension asset	88,486	60,739	153,159	194,314	30,171	-	526,869	-
Advances to other funds	-	2,124,158	312,104	158,967	32,494	-	2,627,723	-
Special assessments	-	-	6,278	-	-	-	6,278	-
Other property	-	-	3,375	-	-	-	3,375	-
<b>TOTAL OTHER ASSETS</b>	<u>88,486</u>	<u>2,184,897</u>	<u>474,916</u>	<u>353,281</u>	<u>62,665</u>	<u>-</u>	<u>3,164,245</u>	<u>-</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>55,240,044</u>	<u>30,249,159</u>	<u>27,526,987</u>	<u>32,402,749</u>	<u>2,907,530</u>	<u>309,156</u>	<u>148,635,625</u>	<u>-</u>
<b>TOTAL ASSETS</b>	<u>60,747,840</u>	<u>32,730,562</u>	<u>34,094,392</u>	<u>39,080,725</u>	<u>7,585,981</u>	<u>606,444</u>	<u>174,845,944</u>	<u>20,214,061</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>								
Wisconsin Retirement System pension	97,545	66,957	168,839	214,207	33,260	-	580,808	-
<b>TOTAL ASSETS AND DEFERRED     OUTFLOWS OF RESOURCES</b>	<u><b>\$ 60,845,385</b></u>	<u><b>\$ 32,797,519</b></u>	<u><b>\$ 34,263,231</b></u>	<u><b>\$ 39,294,932</b></u>	<u><b>\$ 7,619,241</b></u>	<u><b>\$ 606,444</b></u>	<u><b>\$175,426,752</b></u>	<u><b>\$ 20,214,061</b></u>

(Continued on page 26)

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS - Continued**  
**DECEMBER 31, 2015**

<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	MUNICIPAL AIRPORT	PARKING UTILITY	WATER UTILITY	SEWER UTILITY	NONMAJOR STORM WATER UTILITY	NONMAJOR SANITARY SEWER DISTRICT	TOTALS	INTERNAL SERVICE
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 91,012	\$ 20,991	\$ 132,363	\$ 232,459	\$ 41,893	\$ 134	\$ 518,852	\$ 5,083,127
Accrued liabilities	38,493	22,880	58,473	57,709	7,210	-	184,765	3,127
Due to other funds	-	-	975,326	-	-	-	975,326	-
Compensated absences	24,133	21,334	113,798	110,096	-	-	269,361	-
Unearned revenue	-	-	-	-	-	-	-	61,610
Current portion of general obligation bonds	185,000	-	235,040	-	21,194	-	441,234	-
Current portion of post-employment benefits	285,117	38,694	308,590	443,953	-	-	1,076,354	-
<b>TOTAL CURRENT LIABILITIES</b>	<b>623,755</b>	<b>103,899</b>	<b>1,823,590</b>	<b>844,217</b>	<b>70,297</b>	<b>134</b>	<b>3,465,892</b>	<b>5,147,864</b>
<b>NONCURRENT LIABILITIES</b>								
Advances from other funds	-	-	-	-	-	-	-	-
General obligation bonds	1,590,000	-	903,090	-	234,998	-	2,728,088	-
Post-employment benefits	-	271,382	852,481	-	-	-	1,123,863	-
<b>TOTAL NONCURRENT LIABILITIES</b>	<b>1,590,000</b>	<b>271,382</b>	<b>1,755,571</b>	<b>-</b>	<b>234,998</b>	<b>-</b>	<b>3,851,951</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>2,213,755</b>	<b>375,281</b>	<b>3,579,161</b>	<b>844,217</b>	<b>305,295</b>	<b>134</b>	<b>7,317,843</b>	<b>5,147,864</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable revenue - tax roll	-	159,482	-	-	-	-	159,482	-
<b>NET POSITION</b>								
Net investment in capital assets	53,376,558	28,064,262	25,913,941	32,049,468	2,588,673	309,156	142,302,058	-
Restricted for capital improvement	-	-	-	2,405,114	-	-	2,405,114	-
Restricted for other	186,031	127,696	321,998	408,521	63,431	-	1,107,677	-
Unrestricted	5,069,041	4,070,798	4,448,131	3,587,612	4,661,842	297,154	22,134,578	15,066,197
<b>TOTAL NET POSITION</b>	<b>58,631,630</b>	<b>32,262,756</b>	<b>30,684,070</b>	<b>38,450,715</b>	<b>7,313,946</b>	<b>606,310</b>	<b>167,949,427</b>	<b>15,066,197</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 60,845,385</b>	<b>\$ 32,797,519</b>	<b>\$ 34,263,231</b>	<b>\$ 39,294,932</b>	<b>\$ 7,619,241</b>	<b>\$ 606,444</b>	<b>\$175,426,752</b>	<b>\$ 20,214,061</b>
							\$167,949,427	
							1,987,123	
							<b>\$169,936,550</b>	

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	MUNICIPAL AIRPORT	PARKING UTILITY	WATER UTILITY	SEWER UTILITY	NONMAJOR STORM WATER UTILITY	NONMAJOR SANITARY SEWER DISTRICT	TOTALS	INTERNAL SERVICE
<b>OPERATING REVENUE</b>								
Charges for services	\$ 2,964,868	\$ 805,088	\$ 4,793,389	\$ 6,164,898	\$ 2,275,926	\$ 69,427	\$ 17,073,596	\$ -
Fines, forfeits, and penalties	-	889,518	-	-	19,634	-	909,152	-
Interfund charges for services	-	-	742,763	-	-	-	742,763	14,190,020
Intergovernmental charges for services	-	-	284,943	398,940	-	-	683,883	-
Miscellaneous	111,192	6,243	56,500	38,404	2,267	-	214,606	842,828
<b>TOTAL OPERATING REVENUE</b>	<u>3,076,060</u>	<u>1,700,849</u>	<u>5,877,595</u>	<u>6,602,242</u>	<u>2,297,827</u>	<u>69,427</u>	<u>19,624,000</u>	<u>15,032,848</u>
<b>OPERATING EXPENSES</b>								
Operations	1,796,861	967,728	640,473	4,348,825	681,698	61,521	8,497,106	12,291,500
Maintenance	223,359	157,038	1,321,121	465,915	88,059	8,494	2,263,986	-
General and administrative	93,281	205,657	1,180,908	242,273	53,449	1,143	1,776,711	-
Depreciation	1,457,781	864,100	906,248	851,068	18,588	1,929	4,099,714	-
Taxes	49,465	30,843	74,780	99,659	-	-	254,747	-
<b>TOTAL OPERATING EXPENSES</b>	<u>3,620,747</u>	<u>2,225,366</u>	<u>4,123,530</u>	<u>6,007,740</u>	<u>841,794</u>	<u>73,087</u>	<u>16,892,264</u>	<u>12,291,500</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(544,687)</u>	<u>(524,517)</u>	<u>1,754,065</u>	<u>594,502</u>	<u>1,456,033</u>	<u>(3,660)</u>	<u>2,731,736</u>	<u>2,741,348</u>
<b>NONOPERATING (EXPENSES) REVENUE</b>								
Insurance recoveries	250	-	-	-	-	-	250	-
Intergovernmental grants	13,832	-	-	-	-	-	13,832	-
Interest income	17,317	8,113	18,151	21,916	8,413	440	74,350	27,408
Loss on disposal of capital assets	(259,788)	-	-	-	-	-	(259,788)	-
Interest expense	-	-	(40,392)	-	(5,545)	-	(45,937)	-
<b>TOTAL NONOPERATING (EXPENSES) REVENUE</b>	<u>(228,389)</u>	<u>8,113</u>	<u>(22,241)</u>	<u>21,916</u>	<u>2,868</u>	<u>440</u>	<u>(217,293)</u>	<u>27,408</u>
<b>(LOSS) INCOME BEFORE TRANSFERS AND CAPITAL CONTRIBUTIONS</b>	<u>(773,076)</u>	<u>(516,404)</u>	<u>1,731,824</u>	<u>616,418</u>	<u>1,458,901</u>	<u>(3,220)</u>	<u>2,514,443</u>	<u>2,768,756</u>
<b>TRANSFER IN</b>	655,680	-	-	904,723	-	-	1,560,403	27,550
<b>TRANSFER (OUT)</b>	(2,471,418)	(280,000)	(941,866)	(938,183)	-	-	(4,631,467)	-
<b>CAPITAL CONTRIBUTIONS</b>	6,425,021	87,084	67,552	-	1,136,647	-	7,716,304	-
<b>CHANGE IN NET POSITION</b>	3,836,207	(709,320)	857,510	582,958	2,595,548	(3,220)	7,159,683	2,796,306
<b>NET POSITON - BEGINNING</b>	57,594,985	32,844,639	29,513,603	37,470,544	4,653,628	609,530	162,686,929	12,269,891
<b>PRIOR PERIOD ADJUSTMENT</b>	(3,004,997)	-	-	-	-	-	(3,004,997)	-
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	205,435	127,437	312,957	397,213	64,770	-	1,107,812	-
<b>NET POSITION - ENDING</b>	<u>\$ 58,631,630</u>	<u>\$ 32,262,756</u>	<u>\$ 30,684,070</u>	<u>\$ 38,450,715</u>	<u>\$ 7,313,946</u>	<u>\$ 606,310</u>	<u>\$167,949,427</u>	<u>\$ 15,066,197</u>

The accompanying notes are an integral part of these financial statements.



**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	MUNICIPAL AIRPORT	PARKING UTILITY	WATER UTILITY	SEWER UTILITY	NONMAJOR STORM WATER UTILITY	NONMAJOR SANITARY SEWER DISTRICT	TOTALS	INTERNAL SERVICE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 2,951,837	\$ 1,701,072	\$ 5,212,650	\$ 6,497,034	\$ 2,299,557	\$ 75,828	\$18,737,978	\$ 1,333,104
Receipts from municipality	-	-	785,795	-	-	-	785,795	-
Receipts from quasi-external transactions	-	-	-	-	-	-	-	13,758,720
Payments to suppliers for goods and services	(3,552,188)	(691,117)	(1,280,891)	(3,180,836)	(450,818)	(71,158)	(9,227,008)	(321,540)
Payments for employees for services	(644,231)	(395,592)	(872,260)	(1,217,202)	(249,815)	-	(3,379,100)	(70,770)
Payments for employee benefits	(583,403)	(195,624)	(740,393)	(1,064,769)	(127,724)	-	(2,711,913)	(12,084,563)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(1,827,985)</u>	<u>418,739</u>	<u>3,104,901</u>	<u>1,034,227</u>	<u>1,471,200</u>	<u>4,670</u>	<u>4,205,752</u>	<u>2,614,951</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Operating grants received	13,832	-	-	-	-	-	13,832	-
Advance (from) other funds	-	-	-	(37,036)	(18,130)	-	(55,166)	-
Operating transfers from other funds	-	-	-	904,723	-	-	904,723	27,550
Operating transfers to other funds	(1,815,738)	(280,000)	(941,866)	(938,183)	-	-	(3,975,787)	-
NET CASH (USED IN) PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	<u>(1,801,906)</u>	<u>(280,000)</u>	<u>(941,866)</u>	<u>(70,496)</u>	<u>(18,130)</u>	<u>-</u>	<u>(3,112,398)</u>	<u>27,550</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition of property, plant, and equipment	(270,479)	-	(1,420,801)	(1,496,343)	(1,008,767)	-	(4,196,390)	-
Sale of capital assets	2,352,529	-	-	-	-	-	2,352,529	-
Proceeds from insurance	250	-	-	-	-	-	250	-
Proceeds from the issuance of bonds	1,775,000	-	104,000	-	49,920	-	1,928,920	-
Retirement of bonds and loans	-	-	(226,224)	-	(17,630)	-	(243,854)	-
Interest paid	-	-	(40,392)	-	(5,545)	-	(45,937)	-
NET CASH FLOWS PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>3,857,300</u>	<u>-</u>	<u>(1,583,417)</u>	<u>(1,496,343)</u>	<u>(982,022)</u>	<u>-</u>	<u>(204,482)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	17,317	8,113	18,151	21,916	8,413	440	74,350	27,408
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	244,726	146,852	597,769	(510,696)	479,461	5,110	963,222	2,669,909
CASH AND INVESTMENTS - BEGINNING	<u>2,605,262</u>	<u>1,825,861</u>	<u>3,222,057</u>	<u>5,727,118</u>	<u>3,605,330</u>	<u>231,032</u>	<u>17,216,660</u>	<u>16,919,262</u>
<b>CASH AND INVESTMENTS - ENDING</b>	<u><b>\$ 2,849,988</b></u>	<u><b>\$ 1,972,713</b></u>	<u><b>\$ 3,819,826</b></u>	<u><b>\$ 5,216,422</b></u>	<u><b>\$ 4,084,791</b></u>	<u><b>\$ 236,142</b></u>	<u><b>\$ 18,179,882</b></u>	<u><b>\$ 19,589,171</b></u>

(Continued on page 29)

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CASH FLOWS - Continued**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	BUSINESS-TYPE ACTIVITIES						TOTALS	GOVERNMENTAL ACTIVITIES
	MUNICIPAL AIRPORT	PARKING UTILITY	WATER UTILITY	SEWER UTILITY	NONMAJOR STORM WATER UTILITY	NONMAJOR SANITARY SEWER DISTRICT		INTERNAL SERVICE
Reconciliation of operating (loss) income to net cash provided by operating activities								
Operating (loss) income	\$ (544,687)	\$ (524,517)	\$ 1,754,065	\$ 594,502	\$ 1,456,033	\$ (3,660)	\$ 2,731,736	\$ 2,741,348
Adjustments to reconcile operating (loss) income to net cash flows from operating activities								
Depreciation	1,457,781	864,100	906,248	851,068	18,588	1,929	4,099,714	-
Depreciation charged to clearing	-	-	184,572	-	-	-	184,572	-
Changes in assets and liabilities								
(Increase) decrease in assets								
Receivables	(124,223)	(15,704)	77,818	(105,208)	1,730	6,401	(159,186)	62,456
Due from other funds	-	-	37,000	-	(2,525)	-	34,475	-
Inventories	-	-	19,159	-	-	-	19,159	(5,949)
WRS net pension asset	19,404	(259)	(9,041)	(11,308)	1,339	-	135	-
Prepaid items	(2,379,304)	28,065	9,910	56,007	2,021	-	(2,283,301)	(89,875)
Increase (decrease) in liabilities								
Accounts payable	(150,194)	(44,995)	(9,469)	(256,486)	(13,196)	-	(474,340)	(92,676)
Accrued liabilities	24,349	22,880	58,473	57,709	7,210	-	170,621	3,127
Due to other funds	-	-	6,032	-	-	-	6,032	-
Unavailable revenue	-	15,927	-	-	-	-	15,927	(3,480)
Compensated absences	4,302	4,991	30,300	21,054	-	-	60,647	-
OPEB obligations	(135,413)	68,251	39,834	(173,111)	-	-	(200,439)	-
Total adjustments	(1,283,298)	943,256	1,350,836	439,725	15,167	8,330	1,474,016	(126,397)
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b><u>\$(1,827,985)</u></b>	<b><u>\$ 418,739</u></b>	<b><u>\$ 3,104,901</u></b>	<b><u>\$ 1,034,227</u></b>	<b><u>\$ 1,471,200</u></b>	<b><u>\$ 4,670</u></b>	<b><u>\$ 4,205,752</u></b>	<b><u>\$ 2,614,951</u></b>
<b>RECONCILIATION OF CASH AND INVESTMENTS PER STATEMENT OF CASH FLOWS TO THE STATEMENT OF NET POSITION</b>								
Cash and investments	\$ 2,849,988	\$ 1,972,713	\$ 3,819,826	\$ 2,811,308	\$ 4,084,791	\$ 236,142	\$ 15,774,768	\$ 19,589,171
Restricted cash	-	-	-	2,405,114	-	-	2,405,114	-
<b>TOTAL</b>	<b><u>\$ 2,849,988</u></b>	<b><u>\$ 1,972,713</u></b>	<b><u>\$ 3,819,826</u></b>	<b><u>\$ 5,216,422</u></b>	<b><u>\$ 4,084,791</u></b>	<b><u>\$ 236,142</u></b>	<b><u>\$ 18,179,882</u></b>	<b><u>\$ 19,589,171</u></b>
<b>NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES</b>								
Capital contributions	<b><u>\$ 4,072,492</u></b>	<b><u>\$ 87,084</u></b>	<b><u>\$ 67,552</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,136,647</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 5,363,775</u></b>	<b><u>\$ -</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	<u>EMPLOYEE BENEFIT TRUST</u>	<u>PRIVATE- PURPOSE TRUSTS</u>	<u>WORKER COMPENSATION WMMIC</u>	<u>AGENCY FUNDS</u>
Cash and investments	\$ 315,263	\$ 280,914	\$ 23,959	\$27,209,817
Taxes receivable	-	-	-	26,839,130
Accounts receivable	-	-	-	23,683
<b>TOTAL ASSETS</b>	<b><u>\$ 315,263</u></b>	<b><u>\$ 280,914</u></b>	<b><u>\$ 23,959</u></b>	<b><u>\$54,072,630</u></b>
 <u>LIABILITIES AND NET POSITION</u>				
LIABILITIES				
Accounts payable	\$ 13,707	\$ 126	\$ -	\$ 28,296
Due to other governments	-	-	-	53,976,972
Due to others	-	-	-	67,362
<b>TOTAL LIABILITIES</b>	<b><u>13,707</u></b>	<b><u>126</u></b>	<b><u>-</u></b>	<b><u>54,072,630</u></b>
 NET POSITION				
Held in trust	<u>301,556</u>	<u>280,788</u>	<u>23,959</u>	<u>-</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 315,263</u></b>	<b><u>\$ 280,914</u></b>	<b><u>\$ 23,959</u></b>	<b><u>\$54,072,630</u></b>

The accompanying notes are an integral part of these financial statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	EMPLOYEE BENEFIT TRUST	PRIVATE- PURPOSE TRUSTS	WORKERS' COMPENSATION WMMIC
<b>ADDITIONS</b>			
Contributions			
Plan members	\$ 467,064	\$ -	\$ -
Private donations	-	7,136	291,165
Interest	-	516	-
<b>TOTAL ADDITIONS</b>	<b>467,064</b>	<b>7,652</b>	<b>291,165</b>
 <b>DEDUCTIONS</b>			
Administrative expenses	432,197	6,503	-
Forfeiture transfer	-	-	287,206
Culture, recreation, and education	-	7,535	-
<b>TOTAL DEDUCTIONS</b>	<b>432,197</b>	<b>14,038</b>	<b>287,206</b>
 <b>CHANGE IN NET POSITION</b>	 34,867	 (6,386)	 3,959
 <b>NET POSITION - BEGINNING</b>	 266,689	 287,174	 20,000
 <b>NET POSITION - ENDING</b>	 <b>\$ 301,556</b>	 <b>\$ 280,788</b>	 <b>\$ 23,959</b>

The accompanying notes are an integral part of these financial statements.

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

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2015**

**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 do not include any component units, as defined in GASB 14 and amended by GASB 39 and GASB 61, as there are no organizations which meet the criterion.

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.

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. 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, and 17 and other funds and departments which are part of the City.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

**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 revenues 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:

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

- 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.

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.

**HUD Programs Fund** - The HUD programs 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.

**Bonded Capital Projects Fund** - The bonded 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 six internal service funds that are used to provide liability self-insurance, workers' compensation self-insurance, stockroom services, health self-insurance, health cost containment, and fuel management.



**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

**Fiduciary Fund Types** - Trust and Agency 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. These include Expendable Trust Funds & Agency 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.

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. Revenues are 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 revenues 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. Revenues are recognized as soon as they are both measurable and available. Revenues are 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 revenues 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.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

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 revenues of the current fiscal period. Grants are recorded as revenues 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.

The proprietary funds distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the 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 revenues 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 revenues and expenses. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

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

**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:

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

**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.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

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.

**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 one item that qualifies for reporting in this category. It is the Wisconsin Retirement System pension and results from changes in the pension plan.

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 one item that qualifies for reporting in this category. It is a deferred inflow from unavailable revenue. 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.

**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, 2015

**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.

**Changes in Accounting Principle** - The City has implemented GASB Statement No. 68 *Accounting & Financing Reporting for Pension* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to The Measurement Date* in 2015.

**NOTE 2 - Cash and Investments**

State statutes permit the City 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, 2015

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

As of December 31, 2015, 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	\$ 113,983,995
State Bank Repurchase Agreement	One year	1,000,394
Coulee Bank Repurchase Agreement	One year	7,503,133
River Bank Repurchase Agreement	One year	10,000,000
Trust Point (Library Funds)	Less than one year	1,796,648
Coulee Bank Insured Cash Sweep	One year	5,001,042
<b>TOTAL</b>		<b><u>\$ 139,285,212</u></b>

**Fair (Market) Value of Deposits and Investments** - Deposits and investments are reported at fair value. At December 31, 2015, the fair value of the City's deposits and investments approximated original cost; therefore, no fair value adjustments were necessary.

**Determining Fair Value** - Fair value of the City's deposits and investments are determined as follows:

- 1) Deposits and investments with stated interest rates (savings account, CD, REPO) are stated at cost,
- 2) State of Wisconsin Local Government Investment Pool fair value is determined by the Pool's investment board based on published market quotations, and
- 3) State and Local Government Securities (SLGS) fair value is based on published daily rates.

**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, 2015, 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. The State of Wisconsin Investment Pool and the Federal Reserve SLGS are 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 deposits may not be returned to it. As of December 31, 2015, \$9,288,132 of the City's bank balance of \$10,104,161, was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name	<b><u>\$ 9,288,132</u></b>
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**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

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

**Custodial Credit Risk - Investments** - Custodial credit is the risk that, in the event of a bank failure, the City's investments may not be returned to it. As of December 31, 2015, \$23,986,749 of the City's investments of \$139,285,212 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name	\$22,204,175
Uninsured and uncollateralized	<u>1,782,574</u>
	<b><u>\$23,986,749</u></b>

**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. 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 2015 tax roll (levied for 2016) 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 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:

	BALANCES 1/1/15	ADDITIONS	PAYMENTS, FOREGIVENESS & FORECLOSURES	ADJUSTMENTS	BALANCES 12/31/15
Housing Rehabilitation	\$ 114,029	\$ -	\$ -	\$ -	\$ 114,029
HOME Program	996,362	43,608	(38,064)	-	1,001,906
NSP Program	33,300	-	-	-	33,300
Replacement Housing	121,531	23,725	-	-	145,256
TID #14	-	18,105	-	-	18,105
Economic Development	1,345,113	200,000	(246,706)	-	1,298,407
TID #13	-	150,000	-	-	150,000
Residential Rehabilitation	6,443,452	96,902	(401,973)	142,018	6,280,399
Miscellaneous Economic Development	2,961,720	103,155	(156,481)	-	2,908,394
<b>TOTAL</b>	<b><u>\$ 12,015,507</u></b>	<b><u>\$ 635,495</u></b>	<b><u>\$ (843,224)</u></b>	<b><u>\$ 142,018</u></b>	<b><u>\$ 11,949,796</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2015**

**NOTE 5 - Capital Assets**

Capital asset activity for the year ended December 31, 2015, was as follows:

**GOVERNMENTAL ACTIVITIES**

	<u>BALANCES</u> <u>1/1/15</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> <u>12/31/15</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 9,250,328	\$ 85,000	\$ -	\$ 597,738	\$ 9,933,066
Construction in progress	<u>19,281,212</u>	<u>13,344,433</u>	<u>363,065</u>	<u>(11,039,926)</u>	<u>21,222,654</u>
Total capital assets not being depreciated	<u>28,531,540</u>	<u>13,429,433</u>	<u>363,065</u>	<u>(10,442,188)</u>	<u>31,155,720</u>
<i>Capital assets being depreciated</i>					
Buildings	81,932,132	179,828	132,495	1,303,974	83,283,439
Infrastructure	118,063,841	624,444	-	5,037,414	123,725,699
Improvements other than buildings	14,442,218	1,224,955	-	2,506,290	18,173,463
Machinery and equipment	<u>31,356,989</u>	<u>1,911,420</u>	<u>1,695,426</u>	<u>1,594,510</u>	<u>33,167,493</u>
Total capital assets being depreciated	<u>245,795,180</u>	<u>3,940,647</u>	<u>1,827,921</u>	<u>10,442,188</u>	<u>258,350,094</u>
Less accumulated depreciation for:					
Buildings	14,854,231	1,088,543	30,337	(6,115)	15,906,322
Infrastructure	42,660,489	1,835,155	-	(61,610)	44,434,034
Improvements other than buildings	4,685,769	345,320	-	26,002	5,057,091
Machinery and equipment	<u>15,768,146</u>	<u>1,784,157</u>	<u>1,456,117</u>	<u>41,723</u>	<u>16,137,909</u>
Total accumulated depreciation	<u>77,968,635</u>	<u>5,053,175</u>	<u>1,486,454</u>	<u>-</u>	<u>81,535,356</u>
Total capital assets being depreciated, net	<u>167,826,545</u>	<u>(1,112,528)</u>	<u>341,467</u>	<u>10,442,188</u>	<u>176,814,738</u>
<b>GOVERNMENTAL ACTIVITIES</b>					
<b>CAPITAL ASSETS, NET</b>	<u><b>\$ 196,358,085</b></u>	<u><b>\$ 12,316,905</b></u>	<u><b>\$ 704,532</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 207,970,458</b></u>

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

General Government	\$ 526,293
Law Enforcement	137,524
Fire Protection	355,253
Transportation/Highway	1,815,501
Transit	716,118
Storm Sewer	285,754
Docks and Harbors	20,086
Sanitation	6,514
Health and Human Services	15,262
Library	161,092
La Crosse Center	406,191
Parks and Recreation	538,487
Conservation & Development	69,100
<b>Total</b>	<u><b>\$ 5,053,175</b></u>



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2015**

**NOTE 5 - Capital Assets - Continued**

**BUSINESS-TYPE ACTIVITIES**

	<u>BALANCES</u> 1/1/15	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> 12/31/15
<i>Capital assets not being depreciated:</i>					
Land	\$ 4,696,967	\$ -	\$ -	\$ 9,398	\$ 4,706,365
Construction in progress	<u>24,096,582</u>	<u>5,929,860</u>	<u>-</u>	<u>(5,801,515)</u>	<u>24,224,927</u>
Total capital assets not being depreciated	<u>28,793,549</u>	<u>5,929,860</u>	<u>-</u>	<u>(5,792,117)</u>	<u>28,931,292</u>
<i>Capital assets being depreciated</i>					
Land improvements	3,950,513	-	-	-	3,950,513
Buildings	26,745,141	173,185	-	10,113	26,928,489
Equipment	21,895,673	1,557,726	791,002	203,257	22,865,654
Infrastructure	<u>115,360,697</u>	<u>1,870,076</u>	<u>486,056</u>	<u>2,573,750</u>	<u>119,318,467</u>
Total capital assets being depreciated	<u>167,952,024</u>	<u>3,600,987</u>	<u>1,277,058</u>	<u>2,787,120</u>	<u>173,063,073</u>
Less accumulated depreciation for:					
Land improvements	1,768,002	132,154	-	-	1,900,156
Buildings	9,157,963	648,755	-	-	9,806,718
Equipment	9,204,318	609,887	627,400	-	9,186,805
Infrastructure	<u>33,155,004</u>	<u>2,893,490</u>	<u>419,188</u>	<u>-</u>	<u>35,629,306</u>
Total accumulated depreciation	<u>53,285,287</u>	<u>4,284,286</u>	<u>1,046,588</u>	<u>-</u>	<u>56,522,985</u>
Total capital assets being depreciated, net accumulated depreciation	<u>114,666,737</u>	<u>(683,299)</u>	<u>230,470</u>	<u>2,787,120</u>	<u>116,540,088</u>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
<b>CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<b><u>\$ 143,460,286</u></b>	<b><u>\$ 5,246,561</u></b>	<b><u>\$ 230,470</u></b>	<b><u>\$ (3,004,997)</u></b>	<b><u>\$ 145,471,380</u></b>

Depreciation expense was charged to functions as follows:

Business-type activities	
Municipal Airport	\$ 1,457,781
Parking Utility	864,100
Water Utility	1,090,820
Sewer Utility	851,068
Storm Utility	18,588
Sanitary Sewer Utility	<u>1,929</u>
	4,284,286
Less: Water Utility joint metering and clearing	<u>(184,572)</u>
<b>TOTAL</b>	<b><u>\$ 4,099,714</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2015**

**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> <u>1/1/15</u>	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>BALANCES</u> <u>12/31/15</u>	<u>AMOUNTS</u> <u>DUE WITHIN</u> <u>ONE YEAR</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
Bonds payable	\$ 50,725,000	\$ 3,620,000	\$ 7,250,000	\$ 47,095,000	\$ 7,350,000
Notes payable	23,622,980	5,941,343	6,592,334	22,971,989	6,943,786
Premium	845,884	204,723	179,963	870,644	179,963
Net OPEB obligation	15,666,369	6,395,871	5,621,282	16,440,958	5,499,050
Employee benefits:					
Vacation pay	1,209,271	76,054	-	1,285,325	1,285,325
Sick pay	1,164,923	-	7,961	1,156,962	1,156,962
Comp pay	<u>98,260</u>	<u>30,388</u>	<u>-</u>	<u>128,648</u>	<u>128,648</u>
TOTAL	93,332,687	16,268,379	19,651,540	89,949,526	22,543,734
Less business-type debt	<u>(4,093,626)</u>	<u>(2,987,713)</u>	<u>(1,442,439)</u>	<u>(5,638,900)</u>	<u>(1,786,949)</u>
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 89,239,061</u>	<u>\$ 13,280,666</u>	<u>\$ 18,209,101</u>	<u>\$ 84,310,626</u>	<u>\$ 20,756,785</u>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
Bonds/Notes Payable					
Airport	\$ -	\$ 1,775,000	\$ -	\$ 1,775,000	\$ 185,000
Water Utility	1,260,354	104,000	226,224	1,138,130	235,040
Storm Utility	223,902	49,920	17,630	256,192	21,194
Net OPEB Obligation	2,400,656	998,146	1,198,585	2,200,217	1,076,354
Employee benefits:					
Vacation pay	125,445	21,779	-	147,224	147,224
Sick pay	72,199	33,061	-	105,260	105,260
Comp pay	<u>11,070</u>	<u>5,807</u>	<u>-</u>	<u>16,877</u>	<u>16,877</u>
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 4,093,626</u>	<u>\$ 2,987,713</u>	<u>\$ 1,442,439</u>	<u>\$ 5,638,900</u>	<u>\$ 1,786,949</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.

**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, 2015, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE</u> <u>DATES</u>	<u>INTEREST</u> <u>RATES (%)</u>	<u>FINAL</u> <u>MATURITY</u>	<u>BALANCE</u> <u>12/31/15</u>
<b>Bonds Payable</b>				
GO Bonds Payable A	2006	4.000	2017	\$ 1,045,000
GO Bonds Payable A	2007	4.000 - 4.125	2020	2,485,000
GO Refunding Bonds Payable C	2007	4.125 - 5.000	2017	1,345,000
GO Bonds Payable A	2010	0.750 - 5.050	2024	4,095,000

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2015**

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

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/15</u>
<b>Bonds Payable - Continued</b>				
GO Refunding Bonds Payable C	2010	0.750 - 2.500	2018	\$ 1,345,000
GO Refunding Bonds Payable D	2010	0.450 - 3.600	2018	11,350,000
GO Bonds Payable A	2011	3.000 - 4.375	2025	4,085,000
GO Bonds Payable C	2011	2.000 - 4.000	2031	10,020,000
GO Bonds Payable A	2012	2.000 - 3.000	2026	3,705,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	4,200,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	1,645,000
GO Bonds Payable B	2015	2.000 - 3.000	2024	<u>1,775,000</u>
TOTAL BONDS PAYABLE				<u>47,095,000</u>
<b>Notes Payable</b>				
GO Notes Payable B	2007	4.000 - 4.125	2016	390,000
GO Notes Payable	2008	3.250 - 4.250	2017	1,575,000
GO Notes Payable	2009	2.750 - 3.500	2018	2,825,000
GO Notes Payable B	2010	0.700 - 4.600	2019	1,525,000
GO Notes Payable B	2011	2.000 - 4.000	2020	2,080,000
GO Notes Payable B	2012	2.000 - 2.750	2021	1,305,000
GO Notes Payable B	2013	2.000	2021	1,510,000
GO Notes Payable C	2013	0.400 - 2.250	2021	380,000
DNR Loan Payable	2013	0.000	2028	181,989
GO Notes Payable	2014	3.000	2018	5,290,000
DNR Loan Payable	2014	0.000	2019	150,000
GO Note Payable	2015	2.000	2014	4,660,000
State Trust Fund Loan 2015D	2015	3.250	2025	350,000
State Trust Fund Loan 2015E	2015	3.750	2030	<u>750,000</u>
TOTAL NOTES PAYABLE				<u>22,971,989</u>
<b>TOTAL GENERAL OBLIGATION DEBT</b>				<b><u>\$ 70,066,989</u></b>

**General Obligation Debt Limit Calculation**

The 2015 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$3,328,324,600. The legal debt limit and margin of indebtedness as of December 31, 2015, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$3,328,324,600)	\$ 166,416,230
Applicable long-term debt	(70,066,989)
Amount available in debt service fund	<u>5,072,334</u>
<b>MARGIN OF INDEBTEDNESS</b>	<b><u>\$ 101,421,575</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2015, are:

YEARS	GENERAL OBLIGATION DEBT	
	PRINCIPAL	INTEREST
2016	\$ 14,293,786	\$ 2,129,358
2017	12,678,241	1,775,512
2018	12,123,392	1,350,513
2019	4,751,082	962,316
2020	4,418,786	820,554
2021-2025	15,314,695	2,484,262
2026-2030	5,657,007	722,708
2031	830,000	33,200
<b>TOTAL</b>	<b>\$ 70,066,989</b>	<b>\$ 10,278,423</b>

**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, 2015, is \$2,915,000.

**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 1200 hours a year and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

**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 occupation employees, 62 for elected officials and State executive participants) are entitled to receive an unreduced retirement benefit. The factors influencing the benefit are: (1) final average earnings, (2) years of creditable service, and (3) a formula factor.

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

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

Final average earnings is the average of the participant's three highest years' earnings. Creditable service is the creditable current and prior service expressed in years or decimal equivalents of partial years for which a participant receives earnings and makes contributions as required. The formula factor is a standard percentage based on employment category.

Employees may retire at age 55 (50 for protective occupation employees) and receive reduced benefits. Employees terminating covered employment before becoming eligible for a retirement benefit may withdraw their contributions and forfeit all rights to any subsequent benefits.

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment	Variable Fund Adjustment
2005	2.6%	7%
2006	0.8	3
2007	3.0	10
2008	6.6	0
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25

**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, and Executives and Elected Officials. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$2,689,659 in contributions from the employer.

Contribution rates as of December 31, 2015 are:

Employee Category	Employee	Employer
General	6.8%	6.8%
Executives & Elected Officials	7.7%	7.7%
Protective with Social Security	6.8%	9.5%
Protective without Social Security	6.8%	13.1%

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

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

At December 31, 2015, the City reported a liability (asset) of (\$6,632,361) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2014, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2013 rolled forward to December 31, 2014. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability (asset) was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2014, the City's proportion was 0.27001724%, which was a decrease of 0.00208353% from its proportion measured as of December 31, 2013.

For the year ended December 31, 2015, the City recognized pension expense of \$2,627,466.

At December 31, 2015, the City reported deferred outflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>
Differences between expected and actual experience	\$ 961,486
Changes in assumptions	-
Net differences between projected and actual earnings on pension plan investments	3,211,710
Changes in proportion and differences between employer contributions and proportionate share of contributions	108,745
Employer contributions subsequent to the measurement date	3,029,395
<b>Total</b>	<b>\$7,311,336</b>

\$4,281,940 reported as deferred outflows related to pension resulting from the WRS Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability (asset) in the year ended December 31, 2016. Other amounts reported as deferred outflows of resources related to pension will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>Deferred Outflow of Resources</b>
2015	\$841,041
2016	841,041
2017	841,041
2018	841,040
2019	841,040
Thereafter	76,737

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

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

**Actuarial Assumptions** - The total pension liability in the December 31, 2014, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2013
Measurement Date of Net Pension Liability (Asset)	December 31, 2014
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.8%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

\* No Post-Retirement Adjustment is Guaranteed - Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% 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 2012 using experience from 2009 - 2011. The total pension liability for December 31, 2014 is based upon a roll-forward of the liability calculated from the December 31, 2013 actuarial valuation.

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

Asset Class	Long-Term Real Rate of Return	Target Allocation
US Equities	5.3%	21%
International Equities	5.7%	23%
Fixed Income	1.7%	36%
Inflation Sensitive Assets	2.3%	20%
Real Estate	4.2%	7%
Private Equity/Debt	6.9%	7%
Multi-Asset	3.9%	6%
Cash	0.9%	-20%

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

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

*Single Discount Rate* - A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.56%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% 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 long-term expected 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 7.20 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 (6.20 percent) or 1-percentage-point higher (8.20 percent) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$18,711,036	\$6,632,361	(\$26,647,553)

*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://legis.wisconsin.gov/lab/> and reference report number 15-11.

**Payables to the Pension Plan**

At December 31, 2015, the City reported a payable of \$433,953 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2015.

**NOTE 9 - Interfund Receivables, Payables, and Transfers**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Due To/From Other Funds		
General	Water Utility	\$ 975,326
Water Utility	Bonded Capital Projects	909,164
Water Utility	Capital Improvement Program	23,519
Sewer Utility	Bonded Capital Projects	12,627
Storm Water Utility	Bonded Capital Projects	61,109
		<u>1,981,745</u>
Advances To/From Other Funds:		
General Fund	TIF District #17	\$ 1,543
General Fund	TIF District #6	198,938
General Fund	TIF District #10	48,094
General Fund	TIF District #11	126,427



**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

**NOTE 9 - Interfund Receivables, Payables, and Transfers - Continued**

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
General Fund	TIF District #12	174,375
General Fund	TIF District #13	517,906
General Fund	TIF District #14	250,000
General Fund	TIF District #15	1,973
General Fund	TIF District #16	28,322
General Fund	Transit	244,410
General Fund	Other Special Revenue Funds	360,000
Parking Utility	TIF District #6	231,212
Parking Utility	TIF District #11	1,892,946
Water Utility	TIF District #6	73,098
Water Utility	TIF District #10	236,369
Water Utility	TIF District #13	2,637
Sewer Utility	TIF District #6	20,896
Sewer Utility	TIF District #10	55,105
Sewer Utility	TIF District #12	20,728
Sewer Utility	TIF District #16	62,238
Storm Water Utility	TIF District #16	32,494
Bonded Capital Projects	TIF District #12	32,081
Debt Service Fund	TIF District #11	1,400,000
HUD Programs	TIF District #11	15,000
Auditorium	TIF District #11	20,223
Special Assessment	TIF District #6	10,822
Special Assessments	TIF District #11	30,956
Other Special Revenue Funds	TIF District #6	1,704
Other Special Revenue Funds	TIF District #10	30,229
Other Special Revenue Funds	TIF District #10	2,950
Other Special Revenue Funds	TIF District #11	192,309
Other Special Revenue Funds	TIF District #11	1,704
Other Special Revenue Funds	TIF District #12	166,609
Other Special Revenue Funds	TIF District #13	136,907
Other Special Revenue Funds	TIF District #15	1,704
Other Special Revenue Funds	TIF District #16	1,109,126
		<b><u>\$ 7,732,035</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 2015 are as follows:

	<u>TRANSFER IN:</u>			
	<u>GENERAL FUND</u>	<u>HUD PROGRAMS</u>	<u>DEBT SERVICE</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>
<u>TRANSFER OUT:</u>				
General Fund	\$ -	\$ -	\$16,676,697	\$ 4,711,782
HUD Programs	-	554,014	-	-
Debt Service	2,113,667	-	-	-
Bonded Capital Projects	183,627	-	-	1,446,642

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

**NOTE 9 - Interfund Receivables, Payables, and Transfers - Continued**

	TRANSFER IN:			
	GENERAL FUND	HUD PROGRAMS	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS
<u>TRANSFER OUT:</u>				
Nonmajor Governmental Funds	11,504,519	-	-	785,679
Municipal Airport	1,815,738	-	-	-
Parking Utility	225,000	-	-	55,000
Water Utility	941,866	-	-	-
Sewer Utility	33,460	-	-	-
<b>TOTAL</b>	<b><u>\$16,817,877</u></b>	<b><u>\$ 554,014</u></b>	<b><u>\$16,676,697</u></b>	<b><u>\$ 6,999,103</u></b>

	TRANSFER IN:			
	SEWER UTILITY	MUNICIPAL AIRPORT	INTERNAL SERVICES	TOTAL
<u>TRANSFER OUT:</u>				
General Fund	\$ -	\$ -	\$ 24,700	\$21,413,179
HUD Programs	-	-	-	554,014
Debt Service	-	-	-	2,113,667
Bonded Capital Projects	-	-	-	1,630,269
Nonmajor Governmental Funds	-	-	2,850	12,293,048
Municipal Airport	-	655,680	-	2,471,418
Parking Utility	-	-	-	280,000
Water Utility	-	-	-	941,866
Sewer Utility	904,723	-	-	938,183
<b>TOTAL</b>	<b><u>\$ 904,723</u></b>	<b><u>\$ 655,680</u></b>	<b><u>\$ 27,550</u></b>	<b><u>\$42,635,644</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 10 - 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	\$ 233,408
TIF District #12	Awaiting future TIF levies	16,152
TIF District #16	Awaiting future TIF levies	1,232,180
TIF District #17	Awaiting future TIF levies	6,887
	<b>Total Deficits</b>	<b><u>\$ 1,488,627</u></b>
<u>Nonspendable</u>		
General Fund	Prepaid expenses	\$ 22,128
General Fund	Advances to other funds	1,951,988
General Fund	Delinquent personal property tax	75,072
Auditorium	Inventory	19,315
Transit	Inventory and prepaid expenses	136,205
	<b>Total Nonspendable</b>	<b><u>\$ 2,204,708</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

**NOTE 10 - Net Position and Fund Balances - Continued**

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Restricted</u>		
Special Revenue	Passenger facility charge	\$ 933,325
Special Revenue	Police grants	73,092
Special Revenue	Grant programs, inventory, and restricted revenue	200,102
Debt Service	Future debt repayment	5,072,334
Bonded Capital Projects	Unspent bond monies	15,289,773
Capital Projects	TIF District #6	211,248
Capital Projects	TIF District #7	804,850
Capital Projects	TIF District #8	1,882
Capital Projects	TIF District #9	3,509,676
Capital Projects	TIF District #11	1,827,303
Capital Projects	TIF District #13	62,404
Capital Projects	TIF District #14	6,551,606
Capital Projects	TIF District #15	627,869
Capital Projects	Capital Equipment	2,099,485
Capital Projects	Special assessments	1,005,837
Capital Projects	State highway land	612,244
Capital Projects	Bluffland preservation	15,122
Capital Projects	Future capital expenditures	37,890
HUD Programs	Future loan payments	1,756,916
	<b>Total Restricted</b>	<b><u>\$40,692,958</u></b>
<u>Committed</u>		
General Fund	Fire equipment reserve	500,000
General Fund	La Crosse Center renovation	1,000,000
General Fund	Neighborhood improvements	207,997
Special Revenue	Grant programs, inventory, and restricted revenue	17,986,100
	<b>Total Committed</b>	<b><u>\$19,694,097</u></b>
<u>Restricted - Governmental Activities</u>		
Special Revenue	Various projects	\$ 3,027,305
Debt Service	Future debt repayment	5,072,334
Capital Projects	Various projects	32,657,189
Other Activities	Wisconsin Retirement System pension	12,836,020
	<b>Total Restricted - Governmental Activities</b>	<b><u>\$53,592,848</u></b>
<u>Restricted - Proprietary Funds and Business-Type Activities</u>		
Sewer Utility	Restricted asset - DNR replacement fund	\$ 2,405,114
Municipal Airport	Wisconsin Retirement System pension	186,031
Parking Utility	Wisconsin Retirement System pension	127,696
Water Utility	Wisconsin Retirement System pension	321,998
Sewer Utility	Wisconsin Retirement System pension	408,521
Storm Water Utility	Wisconsin Retirement System pension	63,431
	<b>Total Restricted - Proprietary Funds and Business-Type Activities</b>	<b><u>\$ 3,512,791</u></b>

**NOTE 11 - 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.

All of the Bonded Capital Projects fund balance of \$15,289,773 has been restricted for future projects.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2015**

**NOTE 12 - 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. District #4 was closed during 2015. The following are project summaries of the activity and status of the districts through December 31, 2015:

	TIF DISTRICT					
	#5	#6	#7	#8	#9	#10
<b>SOURCES OF FUNDS</b>						
TIF tax collections	\$ 3,677,365	\$ 18,705,324	\$ 2,508,553	\$ 1,075,658	\$ 4,208,280	\$ -
Increment adjustment	-	-	-	-	-	121,420
Exempt computer aids	81,429	1,034,120	52,979	94,030	48,090	-
Payment from other government	-	-	-	-	51,029	65,963
Sale of assets	21,713	237,347	347,682	-	1,542,959	688,807
Grants	-	441,015	985,445	-	225,000	-
Economic development proceeds	-	-	10,000	-	-	-
Loan repayments	-	-	-	-	618,159	-
Interest income	-	-	-	-	67,943	-
Proceeds from long-term debt	1,292,611	33,534,010	2,724,981	351,093	2,233,712	240,750
Transfers from other TIF's	-	17,464,904	-	-	-	-
<b>TOTAL SOURCES</b>	<b>5,073,118</b>	<b>71,416,720</b>	<b>6,629,640</b>	<b>1,520,781</b>	<b>8,995,172</b>	<b>1,116,940</b>
<b>USES OF FUNDS</b>						
Capital expenditures	1,297,554	36,247,724	2,836,395	354,822	3,251,593	1,291,762
Principal and interest on long-term debt	1,600,096	34,130,087	2,982,123	479,591	2,192,113	47,629
Interest on advances	1	124,074	6,272	99	41,790	10,957
Transfers to other TIF's	2,175,467	703,587	-	684,387	-	-
<b>TOTAL USES</b>	<b>5,073,118</b>	<b>71,205,472</b>	<b>5,824,790</b>	<b>1,518,899</b>	<b>5,485,496</b>	<b>1,350,348</b>
<b>FUND BALANCES (DEFICIT) AS OF</b>						
<b>DECEMBER 31, 2015</b>	<b>\$ -</b>	<b>\$ 211,248</b>	<b>\$ 804,850</b>	<b>\$ 1,882</b>	<b>\$ 3,509,676</b>	<b>\$ (233,408)</b>
<b>FUTURE REQUIREMENTS</b>						
Debt service	\$ 59,170	\$ 9,284,212	\$ 226,660	\$ -	\$ 639,991	\$ 238,901
Advances from other funds	-	536,670	-	-	-	372,747
Interest on advances	-	2,844	-	-	-	6,420
Proceeds from other governments	-	-	-	-	-	688,806
Less receivables/plus payables	-	341,349	-	-	(4,422)	844,595
<b>TOTAL FUTURE REQUIREMENTS</b>	<b>59,170</b>	<b>10,165,075</b>	<b>226,660</b>	<b>-</b>	<b>635,569</b>	<b>2,151,469</b>
Less cash on hand (deficit)	-	(1,089,267)	(804,850)	(1,882)	(3,505,254)	(139,339)
<b>BALANCE TO BE COLLECTED ON TIF DISTRICT</b>	<b>\$ 59,170</b>	<b>\$ 9,075,808</b>	<b>\$ (578,190)</b>	<b>\$ (1,882)</b>	<b>\$ (2,869,685)</b>	<b>\$ 2,012,130</b>
<b>DISTRICT TERMINATION DATE</b>	<b>2019</b>	<b>2021</b>	<b>2024</b>	<b>2020</b>	<b>2022</b>	<b>2030</b>
<b>2015 Tax Increment</b>	<b>\$ 222,917</b>	<b>\$ 1,611,182</b>	<b>\$ 294,607</b>	<b>\$ 98,567</b>	<b>\$ 447,486</b>	<b>\$ 20,522</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2015**

**NOTE 12 - Tax Incremental Finance Districts - Continued**

	TIF DISTRICT						
	#11	#12	#13	#14	#15	#16	#17
<b>SOURCES OF FUNDS</b>							
TIF tax collections	\$ 13,075,582	\$ 4,507,490	\$ 3,590,963	\$ 6,129,390	\$ 342,055	\$ -	\$ -
Increment adjustment	-	-	-	-	-	-	-
Exempt computer aids	2,219,979	66,969	443,086	6,911,216	39,935	-	-
Payment from other government	-	-	-	1,378,364	-	-	-
Sale of assets	807,002	19,900	217,669	99,164	-	-	-
Grants	5,432,773	42,640	375,000	-	-	-	-
Economic development proceeds	640	-	128	-	-	30,000	-
DNR loan	-	-	216,657	-	-	-	-
Judgment/liquidated damages	1,000,000	-	-	-	-	-	-
Loan repayments	134,684	-	-	-	-	-	-
Interest income	-	-	-	1,355	-	-	-
Proceeds from long-term debt	36,175,139	6,965,222	4,175,790	584,148	-	-	-
Proceeds from entity	-	-	-	-	250,000	-	-
Transfers from other TIF's	-	-	-	-	-	-	-
<b>TOTAL SOURCES</b>	<b>58,845,799</b>	<b>11,602,221</b>	<b>9,019,293</b>	<b>15,103,637</b>	<b>631,990</b>	<b>30,000</b>	<b>-</b>
<b>USES OF FUNDS</b>							
Capital expenditures	44,013,110	8,016,575	6,002,855	4,171,713	4,113	1,262,180	6,885
Principal and interest on long-term debt	12,099,672	3,591,660	2,801,245	-	8	-	-
Interest on advances	634,564	10,138	2,789	7,743	-	-	2
Incentives for reverse TIF	271,150	-	150,000	4,372,575	-	-	-
Transfers to other TIF's	-	-	-	-	-	-	-
<b>TOTAL USES</b>	<b>57,018,496</b>	<b>11,618,373</b>	<b>8,956,889</b>	<b>8,552,031</b>	<b>4,121</b>	<b>1,262,180</b>	<b>6,887</b>
<b>FUND BALANCES (DEFICIT) AS OF</b>							
<b>DECEMBER 31, 2015</b>	<b>\$ 1,827,303</b>	<b>\$ (16,152)</b>	<b>\$ 62,404</b>	<b>\$ 6,551,606</b>	<b>\$ 627,869</b>	<b>\$ (1,232,180)</b>	<b>\$ (6,887)</b>
<b>FUTURE REQUIREMENTS</b>							
Debt service	\$ 31,581,238	\$ 7,761,698	\$ 2,471,904	\$ 425,823	\$ -	\$ -	\$ -
Advances from other funds	3,679,565	393,793	657,450	250,000	3,677	1,232,180	1,543
Interest on advances	73,131	7,827	7,840	3,313	54	31,020	39
DNR loan	-	-	181,989	-	-	150,000	-
Proceeds from other governments	-	-	-	-	-	-	-
Estimated payable (developer's agreement)	6,560,221	-	884,000	16,284,449	7,000,000	-	-
Less receivables/plus payables	-	-	(13,910)	7,184	-	-	5,344
<b>TOTAL FUTURE REQUIREMENTS</b>	<b>41,894,155</b>	<b>8,163,318</b>	<b>4,189,273</b>	<b>16,970,769</b>	<b>7,003,731</b>	<b>1,413,200</b>	<b>6,926</b>
Less cash on hand (deficit)	(5,506,868)	(377,641)	(705,944)	(6,808,790)	(631,546)	-	-
<b>BALANCE TO BE COLLECTED OF TIF</b>							
<b>DISTRICT</b>	<b>\$ 36,387,287</b>	<b>\$ 7,785,677</b>	<b>\$ 3,483,329</b>	<b>\$ 10,161,979</b>	<b>\$ 6,372,185</b>	<b>\$ 1,413,200</b>	<b>\$ 6,926</b>
<b>DISTRICT TERMINATION DATE</b>							
	2031	2032	2026	2026	2033	2034	2035
<b>2015 Tax Increment</b>	<b>\$ 2,406,538</b>	<b>\$ 573,148</b>	<b>\$ 1,197,724</b>	<b>\$ 1,147,734</b>	<b>\$ 539,184</b>	<b>\$ 16,244</b>	<b>\$ -</b>

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

**NOTE 13 - 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 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, 2014 to December 31, 2015:

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Liability</u>
Liability Balance, January 1, 2014	\$ 4,076,997	\$ 352,171	\$ 105,984
Claims and changes in estimates	11,951,289	1,703,631	90,078
Claim payments	<u>(11,939,817)</u>	<u>(1,073,647)</u>	<u>(97,210)</u>
Liability Balance, January 1, 2015	4,088,469	982,155	98,852
Claims and changes in estimates	11,261,746	565,743	247,977
Claim payments	<u>(11,535,410)</u>	<u>(446,021)</u>	<u>(184,494)</u>
<b>LIABILITY BALANCE, DECEMBER 31, 2015</b>	<b><u>\$ 3,814,805</u></b>	<b><u>\$ 1,101,877</u></b>	<b><u>\$ 162,335</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, 2015

**NOTE 13 - 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.

Summary of financial information for WMMIC for the year ended December 31, 2015 is as follows:

Total assets	\$ 53,743,736
Total liabilities and reserves	15,919,806
Total equity	37,823,930
Total revenue	2,418,206
Total expenditures/expenses	2,184,454
Policyholders' dividends paid	2,359,026
Net decrease in equity	2,125,274

**Other Insured Risk**

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.

**NOTE 14 - Post-Retirement Healthcare Benefits**

*Description*

The City, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a single-employer defined benefit plan to provide certain post-retirement healthcare benefits to all former employees who meet retirement eligibility requirements and continue retiree medical coverage until he/she is eligible for Medicare. The City is under contractual obligation to provide these post-retirement healthcare benefits. Because the Plan consists solely of the City's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

*Funding Policy*

Premiums under the Plan for post-employment healthcare benefits are funded by retirees desiring such coverage via co-pays paid to the City in accordance with rates established by the City and from the City itself from appropriate governmental and business-type funds on a pay-as-you-go basis. The City may make additional contributions as determined by management. For the year ended December 31, 2015, the net outlay from the City, which equaled \$5,621,282, represents the City's net cost paid for current year premiums due.

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2015

**NOTE 14 - Post-Retirement Healthcare Benefits - Continued**

*Annual OPEB Cost and Net OPEB Obligation*

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of 30 years. The following table illustrates the components of the City's annual OPEB cost for the year, the amount actually contributed to the Plan, and changes in the City's net OPEB obligation:

Annual required contribution	\$ 6,670,544
Interest on net OPEB obligation	548,323
Adjustment to annual required contribution	<u>(822,997)</u>
Annual OPEB cost	6,395,870
Contributions made	<u>(5,621,282)</u>
Increase in net OPEB obligation	774,588
Net OPEB obligation - beginning of year	<u>15,666,370</u>
<b>NET OPEB OBLIGATION - END OF YEAR</b>	<b><u>\$ 16,440,958</u></b>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation were as follows:

<u>Fiscal Year</u> <u>Ended</u>	<u>Annual</u> <u>OPEB Cost</u>	<u>Percentage of</u> <u>Annual OPEB</u> <u>Cost Contributed</u>	<u>Net OPEB</u> <u>Obligation -</u> <u>End of Year</u>
12/31/13	6,688,601	66.61	\$ 14,453,699
12/31/14	6,417,131	81.10	15,666,370
12/31/15	6,395,871	87.89	16,440,958

*Funding Status and Funding Progress*

As of January 1, 2014, the most recent actuarial valuation date, the Plan was not funded. The actuarial accrued liability for benefits equaled \$73,027,143, resulting in an unfunded actuarial accrued liability (UAAL) of \$73,027,143. The covered payroll (annual payroll of active employees covered the Plan) equaled \$30,576,534, and the ratio of the UAAL to the covered payroll equaled 238.8 percent.

*Actuarial Methods and Assumptions*

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. The actuarial determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. Projections of benefits are based on the types of benefits provided under the Plan at the time of each valuation and on the pattern of sharing of benefit costs between the employer and plan members. Projections of benefits for financial reporting purposes do not explicitly incorporate the potential effects of unknown legal or contractual funding limitations on the pattern of cost sharing between the employer and plan members in the future. The actuarial calculations reflect a long-term perspective and actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and assets.



**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2015

**NOTE 14 - Post-Retirement Healthcare Benefits - Continued**

The schedule of funding progress, presented as RSI following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of Plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

In the actuarial valuation dated January 1, 2014, the projected unit credit cost actuarial method was used. Because the City funds its OPEB on a pay-as-you-go basis, the Plan has no assets (investments) used specifically for paying the post-retirement medical benefits; therefore, the actuarial assumptions included a 13.50 percent discount rate, which approximates the expected rate of return on non-pension investments held by the City. The UAAL is being amortized as a level dollar amount over 30 years on an open basis.

**NOTE 15 - Change in Accounting Principle**

The change in accounting principles adjustment of \$13,974,090 on the statement of activities is due to the adoption of GASB 68 *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*.

**NOTE 16 - Prior Period Adjustment**

The prior period adjustment of \$3,004,997 on the statement of activities and proprietary funds statement of revenue, expenses, and changes in net position is due to correcting of capital asset errors in the Airport Fund.

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

**CITY OF LA CROSSE, WISCONSIN**  
**SCHEDULE OF FUNDING PROGRESS**  
**POST-EMPLOYMENT HEALTHCARE BENEFITS**  
**YEAR ENDED DECEMBER 31, 2015**

**SCHEDULE OF FUNDING PROGRESS**

Year Ended December 31	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	Unfunded AAL (UAAL) (b - a)	Funded Ratio (a / b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b - a) / c)
2013	1/1/12	\$ -	\$76,663,426	\$76,663,426	0.0%	\$28,180,738	272.0%
2014	1/1/14	\$ -	\$73,027,143	\$73,027,143	0.0%	\$29,861,130	244.6%
2015	1/1/14	\$ -	\$73,027,143	\$73,027,143	0.0%	\$30,576,534	238.8%

**SCHEDULE OF EMPLOYER CONTRIBUTIONS**

Year Ended December 31	Annual Required Contribution	Actual Contribution	Percentage Contributed
2013	\$6,688,601	\$4,455,000	66.6%
2014	\$6,417,131	\$5,204,460	81.10%
2015	\$6,395,870	\$5,621,282	87.89%

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**BUDGETARY COMPARISON SCHEDULE**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2015**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE
	ORIGINAL	FINAL		WITH FINAL BUDGET
<b>REVENUE</b>				
Taxes	\$ 36,262,065	\$ 36,262,065	\$ 36,083,515	\$ (178,550)
Intergovernmental	15,188,846	15,188,846	15,372,951	184,105
Licenses and permits	1,627,002	1,627,002	2,019,707	392,705
Fines, forfeits, and penalties	-	-	18,266	18,266
Public charges for services	1,883,083	1,883,083	2,118,975	235,892
Intergovernmental charges for services	1,797,046	1,797,046	2,358,582	561,536
Miscellaneous	<u>220,525</u>	<u>220,525</u>	<u>421,139</u>	<u>200,614</u>
<b>TOTAL REVENUE</b>	<u>56,978,567</u>	<u>56,978,567</u>	<u>58,393,135</u>	<u>1,414,568</u>
<b>EXPENDITURES</b>				
Current				
General government	9,399,903	8,932,901	6,696,135	2,236,766
Public safety	20,756,607	21,118,386	21,465,463	(347,077)
Public works	10,488,248	10,585,909	10,072,792	513,117
Health and human services	148,000	148,000	133,871	14,129
Culture, recreation, and education	9,568,361	9,803,598	10,016,969	(213,371)
Conservation and development	1,246,527	1,361,581	2,088,480	(726,899)
Capital outlay	<u>19,000</u>	<u>3,030,314</u>	<u>1,790,357</u>	<u>1,239,957</u>
<b>TOTAL EXPENDITURES</b>	<u>51,626,646</u>	<u>54,980,689</u>	<u>52,264,067</u>	<u>2,716,622</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>5,351,921</u>	<u>1,997,878</u>	<u>6,129,068</u>	<u>4,131,190</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	14,071,955	14,071,955	16,817,877	2,745,922
Operating transfers (out)	(19,423,876)	(19,385,050)	(21,413,179)	(2,028,129)
Issuance of long-term debt	<u>-</u>	<u>-</u>	<u>174,793</u>	<u>174,793</u>
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(5,351,921)</u>	<u>(5,313,095)</u>	<u>(4,420,509)</u>	<u>892,586</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	(3,315,217)	1,708,559	5,023,776
<b>FUND BALANCE - BEGINNING</b>	<u>23,500,833</u>	<u>23,500,833</u>	<u>23,500,833</u>	<u>-</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u><b>\$ 23,500,833</b></u>	<u><b>\$ 20,185,616</b></u>	<u><b>\$ 25,209,392</b></u>	<u><b>\$ 5,023,776</b></u>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
YEAR ENDED DECEMBER 31, 2015

**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 increase the total General Fund budget during the year were \$3,315,217.
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 conservation and development by \$726,899, in public safety by \$347,077, and in culture, recreation, and education by \$213,371, and in operating transfers out by \$2,028,129 for the year ended December 31, 2015. The over expenditures were financed by under expenditures in other functions and greater than anticipated revenue.

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2015**

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
Last 10 Fiscal Years

	2015
City's proportion of the net pension liability (asset)	0.27001724%
City's proportionate share of the net pension liability (asset)	\$ (6,632,361)
City's covered employee payroll	\$ 29,513,033
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	-22.47%
Plan fiduciary net position as a percentage of the total pension liability	102.74%

SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

	2015
Contractually required contribution	\$ 2,689,659
Contributions in relation to the contractually required contribution	2,689,659
<b>Contribution deficiency (excess)</b>	<b>\$ <u>          -</u></b>
City's covered employee payroll	\$ 29,513,033
Contributions as a percentage of covered employee payroll	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 9 proceeding years.

**Notes to Required Supplementary Information for the Year Ended December 31, 2015**

Changes of benefit terms. There were no changes of benefit terms for any participating employer in WRS.

Changes of assumptions. There were no changes in the assumptions.

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

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECTS FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 18,394,344	\$ 23,562,164	\$ 41,956,508
Receivable			
Taxes	-	8,769,608	8,769,608
Accounts and other	657,762	95,957	753,719
Special assessments	-	1,004,341	1,004,341
Loans	755,406	168,105	923,511
Due from other governments	384,800	34,996	419,796
Inventories	136,816	-	136,816
Prepaid items	18,704	-	18,704
Advance to other funds	<u>1,663,465</u>	<u>41,778</u>	<u>1,705,243</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 22,011,297</u></b>	<b><u>\$ 33,676,949</u></b>	<b><u>\$ 55,688,246</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
<b>LIABILITIES</b>			
Accounts payable	\$ 584,154	\$ 698,387	\$ 1,282,541
Accrued liabilities	157,919	-	157,919
Due to other funds	-	23,519	23,519
Due to other governments	31,114	-	31,114
Due to others	241,520	-	241,520
Unearned revenue	1,116,376	169,805	1,286,181
Advances from other funds	<u>604,410</u>	<u>7,127,625</u>	<u>7,732,035</u>
<b>TOTAL LIABILITIES</b>	<b><u>2,735,493</u></b>	<b><u>8,019,336</u></b>	<b><u>10,754,829</u></b>
 <b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue			
Tax roll	-	8,769,608	8,769,608
Special assessments	<u>-</u>	<u>1,009,216</u>	<u>1,009,216</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b><u>-</u></b>	<b><u>9,778,824</u></b>	<b><u>9,778,824</u></b>
 <b>FUND BALANCES</b>			
Nonspendable	155,520	-	155,520
Restricted	1,206,519	17,367,416	18,573,935
Committed	17,986,100	-	17,986,100
Unassigned	<u>(72,335)</u>	<u>(1,488,627)</u>	<u>(1,560,962)</u>
<b>TOTAL FUND BALANCES</b>	<b><u>19,275,804</u></b>	<b><u>15,878,789</u></b>	<b><u>35,154,593</u></b>
 <b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	 <b><u>\$ 22,011,297</u></b>	 <b><u>\$ 33,676,949</u></b>	 <b><u>\$ 55,688,246</u></b>



**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECTS FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUE</b>			
Taxes	\$ 616,085	\$ 9,140,856	\$ 9,756,941
Special assessments	-	322,434	322,434
Intergovernmental	4,469,131	2,610,303	7,079,434
Licenses and permits	205,392	-	205,392
Fines, forfeits, and penalties	755,794	-	755,794
Public charges for services	5,166,553	21,422	5,187,975
Intergovernmental charges for services	272,174	-	272,174
Miscellaneous	4,462,648	893,403	5,356,051
<b>TOTAL REVENUE</b>	<u>15,947,777</u>	<u>12,988,418</u>	<u>28,936,195</u>
<b>EXPENDITURES</b>			
Current			
General government	229,910	-	229,910
Public safety	1,198,156	-	1,198,156
Public works	5,611,867	68,321	5,680,188
Health and human services	190,909	-	190,909
Culture, recreation, and education	4,753,945	4,895	4,758,840
Conservation and development	111,833	2,100,419	2,212,252
Capital outlay	2,039,349	8,055,322	10,094,671
Debt service			
Interest and other fiscal charges	-	9,217	9,217
<b>TOTAL EXPENDITURES</b>	<u>14,135,969</u>	<u>10,238,174</u>	<u>24,374,143</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>1,811,808</u>	<u>2,750,244</u>	<u>4,562,052</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	3,470,081	3,529,022	6,999,103
Operating transfers (out)	(5,205,637)	(7,087,411)	(12,293,048)
Issuance of long-term debt	-	6,550	6,550
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(1,735,556)</u>	<u>(3,551,839)</u>	<u>(5,287,395)</u>
<b>NET CHANGE IN FUND BALANCE</b>	76,252	(801,595)	(725,343)
<b>FUND BALANCES - BEGINNING</b>	<u>19,199,552</u>	<u>16,680,384</u>	<u>35,879,936</u>
<b>FUND BALANCES - ENDING</b>	<u><b>\$ 19,275,804</b></u>	<u><b>\$ 15,878,789</b></u>	<u><b>\$ 35,154,593</b></u>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2015**

ASSETS	GREEN ISLAND	AUDITORIUM	INDUSTRIAL PARK	PASSENGER FACILITY CHARGE	COUNTY CONTRIBUTION FOR AIRPORT	POLICE GRANTS	LIBRARY SPECIAL GRANTS	MUNICIPAL COURT	TRANSIT	OTHER	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Cash and investments	\$488,781	\$ 1,473,657	\$ 344,503	\$ 949,155	\$ 97,203	\$733,989	\$ 1,974,602	\$ 77,712	\$ 48,638	\$12,206,104	\$18,394,344
Receivables											
Accounts and other	1,200	115,359	-	22,550	3,724	66,616	-	-	277,241	171,072	657,762
Loans	-	-	375,967	-	-	-	-	-	-	379,439	755,406
Due from other governments	-	-	-	-	-	124,407	-	-	244,410	15,983	384,800
Inventories	-	19,315	-	-	-	-	-	-	117,501	-	136,816
Prepaid items	-	-	-	-	-	-	-	-	18,704	-	18,704
Advance to other funds	-	20,223	-	-	-	-	-	-	-	1,643,242	1,663,465
<b>TOTAL ASSETS</b>	<b>\$489,981</b>	<b>\$ 1,628,554</b>	<b>\$ 720,470</b>	<b>\$ 971,705</b>	<b>\$ 100,927</b>	<b>\$925,012</b>	<b>\$ 1,974,602</b>	<b>\$ 77,712</b>	<b>\$706,494</b>	<b>\$14,415,840</b>	<b>\$22,011,297</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ 138	\$ 84,352	\$ -	\$ -	\$ -	\$ 12,347	\$ -	\$ 1,466	\$262,564	\$ 223,287	\$ 584,154
Accrued liabilities	-	17,606	-	-	-	1,294	-	-	135,650	3,369	157,919
Due to other governments	-	-	-	-	-	-	-	31,114	-	-	31,114
Due to others	-	-	-	-	-	-	-	-	-	241,520	241,520
Unearned revenue	-	68,571	375,967	-	-	228,588	-	-	-	443,250	1,116,376
Advances from other funds	-	-	-	-	-	-	-	-	244,410	360,000	604,410
<b>TOTAL LIABILITIES</b>	<b>138</b>	<b>170,529</b>	<b>375,967</b>	<b>-</b>	<b>-</b>	<b>242,229</b>	<b>-</b>	<b>32,580</b>	<b>642,624</b>	<b>1,271,426</b>	<b>2,735,493</b>
<b>FUND BALANCES</b>											
Nonspendable	-	19,315	-	-	-	-	-	-	136,205	-	155,520
Restricted	-	-	-	933,325	-	73,092	-	-	-	200,102	1,206,519
Committed	489,843	1,438,710	344,503	38,380	100,927	609,691	1,974,602	45,132	-	12,944,312	17,986,100
Unassigned	-	-	-	-	-	-	-	-	(72,335)	-	(72,335)
<b>TOTAL FUND BALANCES</b>	<b>489,843</b>	<b>1,458,025</b>	<b>344,503</b>	<b>971,705</b>	<b>100,927</b>	<b>682,783</b>	<b>1,974,602</b>	<b>45,132</b>	<b>63,870</b>	<b>13,144,414</b>	<b>19,275,804</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$489,981</b>	<b>\$ 1,628,554</b>	<b>\$ 720,470</b>	<b>\$ 971,705</b>	<b>\$ 100,927</b>	<b>\$925,012</b>	<b>\$ 1,974,602</b>	<b>\$ 77,712</b>	<b>\$706,494</b>	<b>\$14,415,840</b>	<b>\$22,011,297</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	GREEN ISLAND	AUDITORIUM	INDUSTRIAL PARK	PASSENGER FACILITY CHARGE	COUNTY CONTRIBUTION FOR AIRPORT	POLICE GRANTS	LIBRARY SPECIAL GRANTS	MUNICIPAL COURT	TRANSIT	OTHER	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>REVENUE</b>											
Taxes	\$ -	\$ 162,137	\$ 3,714	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 450,234	\$ 616,085
Intergovernmental	-	-	-	-	-	725,315	-	-	3,591,212	152,604	4,469,131
Licenses and permits	-	-	-	-	-	-	-	-	-	205,392	205,392
Fines, forfeits, and penalties	-	-	-	-	-	2,620	-	742,875	-	10,299	755,794
Public charges for services	13,606	2,825,286	-	360,013	-	34,166	-	-	1,459,346	474,136	5,166,553
Intergovernmental charges for services	-	-	-	-	3,724	173,900	-	-	-	94,550	272,174
Miscellaneous	20	27	42,647	2,858	-	431,268	392,978	-	83,830	3,509,020	4,462,648
<b>TOTAL REVENUE</b>	<b>13,626</b>	<b>2,987,450</b>	<b>46,361</b>	<b>362,871</b>	<b>3,724</b>	<b>1,367,269</b>	<b>392,978</b>	<b>742,875</b>	<b>5,134,388</b>	<b>4,896,235</b>	<b>15,947,777</b>
<b>EXPENDITURES</b>											
Current											
General government	-	-	-	-	-	-	-	-	-	229,910	229,910
Public safety	-	-	-	-	-	938,506	-	-	-	259,650	1,198,156
Public works	-	-	-	-	-	-	-	-	5,509,220	102,647	5,611,867
Health and human services	-	-	-	-	-	-	-	-	-	190,909	190,909
Culture, recreation, and education	9,850	2,151,115	-	-	-	-	522,260	-	-	2,070,720	4,753,945
Conservation and development	-	-	-	-	-	-	-	-	-	111,833	111,833
Capital outlay	11,447	121,433	-	249,978	-	300,047	-	-	-	1,356,444	2,039,349
<b>TOTAL EXPENDITURES</b>	<b>21,297</b>	<b>2,272,548</b>	<b>-</b>	<b>249,978</b>	<b>-</b>	<b>1,238,553</b>	<b>522,260</b>	<b>-</b>	<b>5,509,220</b>	<b>4,322,113</b>	<b>14,135,969</b>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<b>(7,671)</b>	<b>714,902</b>	<b>46,361</b>	<b>112,893</b>	<b>3,724</b>	<b>128,716</b>	<b>(129,282)</b>	<b>742,875</b>	<b>(374,832)</b>	<b>574,122</b>	<b>1,811,808</b>
<b>OTHER FINANCING (USES) SOURCES</b>											
Operating transfers in	-	254,390	-	40,738	-	5,000	-	-	374,935	2,795,018	3,470,081
Operating transfers (out)	-	(744,170)	(22,153)	(244,654)	-	(4,296)	-	(736,770)	(2,850)	(3,450,744)	(5,205,637)
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<b>-</b>	<b>(489,780)</b>	<b>(22,153)</b>	<b>(203,916)</b>	<b>-</b>	<b>704</b>	<b>-</b>	<b>(736,770)</b>	<b>372,085</b>	<b>(655,726)</b>	<b>(1,735,556)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>(7,671)</b>	<b>225,122</b>	<b>24,208</b>	<b>(91,023)</b>	<b>3,724</b>	<b>129,420</b>	<b>(129,282)</b>	<b>6,105</b>	<b>(2,747)</b>	<b>(81,604)</b>	<b>76,252</b>
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<b>497,514</b>	<b>1,232,903</b>	<b>320,295</b>	<b>1,062,728</b>	<b>97,203</b>	<b>553,363</b>	<b>2,103,884</b>	<b>39,027</b>	<b>66,617</b>	<b>13,226,018</b>	<b>19,199,552</b>
<b>FUND BALANCES - ENDING</b>	<b>\$489,843</b>	<b>\$1,458,025</b>	<b>\$ 344,503</b>	<b>\$ 971,705</b>	<b>\$ 100,927</b>	<b>\$ 682,783</b>	<b>\$1,974,602</b>	<b>\$ 45,132</b>	<b>\$ 63,870</b>	<b>\$13,144,414</b>	<b>\$19,275,804</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**DECEMBER 31, 2015**

	TIF DISTRICT #4	TIF DISTRICT #5	TIF DISTRICT #6	TIF DISTRICT #7	TIF DISTRICT #8	TIF DISTRICT #9	TIF DISTRICT #10	TIF DISTRICT #11	TIF DISTRICT #12	TIF DISTRICT #13	TIF DISTRICT #14
<b>ASSETS</b>											
Cash and investments	\$ 245,789	\$ -	\$ 1,089,267	\$ 804,850	\$ 1,882	\$ 3,505,254	\$ 139,339	\$ 5,506,868	\$ 377,641	\$ 705,944	\$ 6,808,790
Receivable											
Taxes	-	222,917	1,611,182	294,607	98,567	447,486	20,522	2,406,538	573,148	1,197,724	1,147,734
Accounts and other	-	-	-	-	-	-	-	-	-	48,359	422
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Loans	-	-	-	-	-	-	-	-	-	150,000	18,105
Due from other governments	-	-	-	-	-	8,796	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 245,789</b>	<b>\$ 222,917</b>	<b>\$ 2,700,449</b>	<b>\$ 1,099,457</b>	<b>\$ 100,449</b>	<b>\$ 3,961,536</b>	<b>\$ 159,861</b>	<b>\$ 7,913,406</b>	<b>\$ 950,789</b>	<b>\$ 2,102,027</b>	<b>\$ 7,975,051</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ 245,789	\$ -	\$ 341,349	\$ -	\$ -	\$ 4,374	\$ -	\$ -	\$ -	\$ 32,749	\$ 7,606
Due to other funds	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	151,700	18,105
Advances from other funds	-	-	536,670	-	-	-	372,747	3,679,565	393,793	657,450	250,000
<b>TOTAL LIABILITIES</b>	<b>245,789</b>	<b>-</b>	<b>878,019</b>	<b>-</b>	<b>-</b>	<b>4,374</b>	<b>372,747</b>	<b>3,679,565</b>	<b>393,793</b>	<b>841,899</b>	<b>275,711</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>											
Unavailable revenue											
Tax roll	-	222,917	1,611,182	294,607	98,567	447,486	20,522	2,406,538	573,148	1,197,724	1,147,734
Special assessments	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>222,917</b>	<b>1,611,182</b>	<b>294,607</b>	<b>98,567</b>	<b>447,486</b>	<b>20,522</b>	<b>2,406,538</b>	<b>573,148</b>	<b>1,197,724</b>	<b>1,147,734</b>
<b>FUND BALANCES (DEFICITS)</b>											
Restricted	-	-	211,248	804,850	1,882	3,509,676	-	1,827,303	-	62,404	6,551,606
Unassigned	-	-	-	-	-	-	(233,408)	-	(16,152)	-	-
<b>TOTAL FUND BALANCES (DEFICITS)</b>	<b>-</b>	<b>-</b>	<b>211,248</b>	<b>804,850</b>	<b>1,882</b>	<b>3,509,676</b>	<b>(233,408)</b>	<b>1,827,303</b>	<b>(16,152)</b>	<b>62,404</b>	<b>6,551,606</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 245,789</b>	<b>\$ 222,917</b>	<b>\$ 2,700,449</b>	<b>\$ 1,099,457</b>	<b>\$ 100,449</b>	<b>\$ 3,961,536</b>	<b>\$ 159,861</b>	<b>\$ 7,913,406</b>	<b>\$ 950,789</b>	<b>\$ 2,102,027</b>	<b>\$ 7,975,051</b>

(Continued on page 69)

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEET**  
**NONMAJOR CAPITAL PROJECTS FUNDS - Continued**  
**DECEMBER 31, 2015**

	TIF DISTRICT #15	TIF DISTRICT #16	TIF DISTRICT #17	CAPITAL EQUIPMENT	GOLF COURSE SURCHARGE	SPECIAL ASSESSMENTS	STATE HIGHWAY LAND	BLUFFLAND PRESERVATION	CAPITAL IMPROVEMENT PROGRAM	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
<b>ASSETS</b>										
Cash and investments	\$ 631,546	\$ -	\$ -	\$2,124,960	\$ -	\$ 937,607	\$ 605,896	\$ 15,122	\$ 61,409	\$ 23,562,164
Receivable										
Taxes	539,184	16,244	-	-	-	193,755	-	-	-	8,769,608
Accounts and other	-	-	-	-	-	47,176	-	-	-	95,957
Special assessments	-	-	-	-	-	1,004,341	-	-	-	1,004,341
Loans	-	-	-	-	-	-	-	-	-	168,105
Due from other governments	-	-	-	-	-	-	26,200	-	-	34,996
Advance to other funds	-	-	-	-	-	41,778	-	-	-	41,778
<b>TOTAL ASSETS</b>	<b>\$1,170,730</b>	<b>\$ 16,244</b>	<b>\$ -</b>	<b>\$2,124,960</b>	<b>\$ -</b>	<b>\$ 2,224,657</b>	<b>\$ 632,096</b>	<b>\$ 15,122</b>	<b>\$ 61,409</b>	<b>\$ 33,676,949</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES (DEFICITS)</b>										
<b>LIABILITIES</b>										
Accounts payable	\$ -	\$ -	\$ 5,344	\$ 25,475	\$ -	\$ 15,849	\$ 19,852	\$ -	\$ -	\$ 698,387
Due to other funds	-	-	-	-	-	-	-	-	23,519	23,519
Due to other governments	-	-	-	-	-	-	-	-	-	-
Due to others	-	-	-	-	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-	-	-	-	169,805
Advances from other funds	3,677	1,232,180	1,543	-	-	-	-	-	-	7,127,625
<b>TOTAL LIABILITIES</b>	<b>3,677</b>	<b>1,232,180</b>	<b>6,887</b>	<b>25,475</b>	<b>-</b>	<b>15,849</b>	<b>19,852</b>	<b>-</b>	<b>23,519</b>	<b>8,019,336</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue										
Tax roll	539,184	16,244	-	-	-	193,755	-	-	-	8,769,608
Other	-	-	-	-	-	1,009,216	-	-	-	1,009,216
<b>TOTAL DEFERRED     INFLOWS OF     RESOURCES</b>	<b>539,184</b>	<b>16,244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,202,971</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,778,824</b>
<b>FUND BALANCES (DEFICITS)</b>										
Restricted	627,869	-	-	2,099,485	-	1,005,837	612,244	15,122	37,890	17,367,416
Unassigned	-	(1,232,180)	(6,887)	-	-	-	-	-	-	(1,488,627)
<b>TOTAL FUND BALANCES     (DEFICITS)</b>	<b>627,869</b>	<b>(1,232,180)</b>	<b>(6,887)</b>	<b>2,099,485</b>	<b>-</b>	<b>1,005,837</b>	<b>612,244</b>	<b>15,122</b>	<b>37,890</b>	<b>15,878,789</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$1,170,730</b>	<b>\$ 16,244</b>	<b>\$ -</b>	<b>\$2,124,960</b>	<b>\$ -</b>	<b>\$ 2,224,657</b>	<b>\$ 632,096</b>	<b>\$ 15,122</b>	<b>\$ 61,409</b>	<b>\$ 33,676,949</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	TIF DISTRICT #4	TIF DISTRICT #5	TIF DISTRICT #6	TIF DISTRICT #7	TIF DISTRICT #8	TIF DISTRICT #9	TIF DISTRICT #10	TIF DISTRICT #11	TIF DISTRICT #12	TIF DISTRICT #13	TIF DISTRICT #14
<b>REVENUE</b>											
Taxes	\$1,121,131	\$ 225,509	\$1,531,967	\$ 285,775	\$ 79,279	\$ 471,704	\$ 17,445	\$2,220,737	\$ 584,188	\$ 950,345	\$1,310,721
Special assessments	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental	48,156	14,770	67,419	5,211	4,746	5,298	4,940	370,915	8,700	217,041	807,972
Public charges for services	-	-	-	-	-	-	-	-	-	21,422	-
Miscellaneous	-	-	-	-	-	-	-	756,848	-	-	99,623
<b>TOTAL REVENUE</b>	<u>1,169,287</u>	<u>240,279</u>	<u>1,599,386</u>	<u>290,986</u>	<u>84,025</u>	<u>477,002</u>	<u>22,385</u>	<u>3,348,500</u>	<u>592,888</u>	<u>1,188,808</u>	<u>2,218,316</u>
<b>EXPENDITURES</b>											
Current											
Public works	-	-	-	-	-	-	-	-	-	-	-
Culture, recreation, and education	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	469,901	-	-	-	-	-	-	-	-	150,000	1,480,518
Capital outlay	40,683	4,067	1,789,028	52,587	2,143	136,050	5,287	143,703	139,860	684,178	1,024,641
Debt service - interest	-	-	711	-	-	-	-	6,775	522	871	333
<b>TOTAL EXPENDITURES</b>	<u>510,584</u>	<u>4,067</u>	<u>1,789,739</u>	<u>52,587</u>	<u>2,143</u>	<u>136,050</u>	<u>5,287</u>	<u>150,478</u>	<u>140,382</u>	<u>835,049</u>	<u>2,505,492</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>658,703</u>	<u>236,212</u>	<u>(190,353)</u>	<u>238,399</u>	<u>81,882</u>	<u>340,952</u>	<u>17,098</u>	<u>3,198,022</u>	<u>452,506</u>	<u>353,759</u>	<u>(287,176)</u>
<b>OTHER FINANCING (USES) SOURCES</b>											
Operating transfers in	1,169,287	-	303,809	9,284	-	-	-	121,357	-	150,285	600,000
Operating transfers (out)	(1,169,287)	(236,212)	(991,895)	(200,000)	(80,000)	(400,000)	(6,000)	(2,460,000)	(495,431)	(448,576)	(600,000)
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	6,550	-
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<u>-</u>	<u>(236,212)</u>	<u>(688,086)</u>	<u>(190,716)</u>	<u>(80,000)</u>	<u>(400,000)</u>	<u>(6,000)</u>	<u>(2,338,643)</u>	<u>(495,431)</u>	<u>(291,741)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>658,703</u>	<u>-</u>	<u>(878,439)</u>	<u>47,683</u>	<u>1,882</u>	<u>(59,048)</u>	<u>11,098</u>	<u>859,379</u>	<u>(42,925)</u>	<u>62,018</u>	<u>(287,176)</u>
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<u>(658,703)</u>	<u>-</u>	<u>1,089,687</u>	<u>757,167</u>	<u>-</u>	<u>3,568,724</u>	<u>(244,506)</u>	<u>967,924</u>	<u>26,773</u>	<u>386</u>	<u>6,838,782</u>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 211,248</u>	<u>\$ 804,850</u>	<u>\$ 1,882</u>	<u>\$3,509,676</u>	<u>\$ (233,408)</u>	<u>\$1,827,303</u>	<u>\$ (16,152)</u>	<u>\$ 62,404</u>	<u>\$6,551,606</u>

(Continued on page 71)

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES - Continued**  
**NONMAJOR CAPITAL PROJECTS FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	TIF DISTRICT #15	TIF DISTRICT #16	TIF DISTRICT #17	CAPITAL EQUIPMENT	GOLF COURSE SURCHARGE	SPECIAL ASSESSMENTS	STATE HIGHWAY LAND	BLUFFLAND PRESERVATION	CAPITAL IMPROVEMENT PROGRAM	TOTAL NONMAJOR CAPITAL PROJECTS FUNDS
<b>REVENUE</b>										
Taxes	\$ 342,055	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,140,856
Special assessments	-	-	-	-	-	322,434	-	-	-	322,434
Intergovernmental	289,935	-	-	-	-	-	765,200	-	-	2,610,303
Public charges for services	-	-	-	-	-	-	-	-	-	21,422
Miscellaneous	-	-	-	10,610	10	26,191	-	121	-	893,403
<b>TOTAL REVENUE</b>	<b>631,990</b>	<b>-</b>	<b>-</b>	<b>10,610</b>	<b>10</b>	<b>348,625</b>	<b>765,200</b>	<b>121</b>	<b>-</b>	<b>12,988,418</b>
<b>EXPENDITURES</b>										
Current										
Public works	-	-	-	-	-	68,321	-	-	-	68,321
Culture, recreation, and education	-	-	-	4,895	-	-	-	-	-	4,895
Conservation and development	-	-	-	-	-	-	-	-	-	2,100,419
Capital outlay	2,439	1,173,059	6,887	1,198,358	-	394,750	1,136,905	109,777	10,920	8,055,322
Debt Service - interest	5	-	-	-	-	-	-	-	-	9,217
<b>TOTAL EXPENDITURES</b>	<b>2,444</b>	<b>1,173,059</b>	<b>6,887</b>	<b>1,203,253</b>	<b>-</b>	<b>463,071</b>	<b>1,136,905</b>	<b>109,777</b>	<b>10,920</b>	<b>10,238,174</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>629,546</b>	<b>(1,173,059)</b>	<b>(6,887)</b>	<b>(1,192,643)</b>	<b>10</b>	<b>(114,446)</b>	<b>(371,705)</b>	<b>(109,656)</b>	<b>(10,920)</b>	<b>2,750,244</b>
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	-	-	-	1,175,000	-	-	-	-	-	3,529,022
Operating transfers (out)	-	-	-	-	(10)	-	-	-	-	(7,087,411)
Issuance of long-term debt	-	-	-	-	-	-	-	-	-	6,550
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,175,000</b>	<b>(10)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,551,839)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>629,546</b>	<b>(1,173,059)</b>	<b>(6,887)</b>	<b>(17,643)</b>	<b>-</b>	<b>(114,446)</b>	<b>(371,705)</b>	<b>(109,656)</b>	<b>(10,920)</b>	<b>(801,595)</b>
<b>FUND BALANCES (DEFICIT) - BEGINNING</b>	<b>(1,677)</b>	<b>(59,121)</b>	<b>-</b>	<b>2,117,128</b>	<b>-</b>	<b>1,120,283</b>	<b>983,949</b>	<b>124,778</b>	<b>48,810</b>	<b>16,680,384</b>
<b>FUND BALANCES (DEFICIT) - ENDING</b>	<b>\$ 627,869</b>	<b>\$(1,232,180)</b>	<b>\$ (6,887)</b>	<b>\$2,099,485</b>	<b>\$ -</b>	<b>\$ 1,005,837</b>	<b>\$ 612,244</b>	<b>\$ 15,122</b>	<b>\$ 37,890</b>	<b>\$15,878,789</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	LIABILITY SELF INSURANCE	WORKERS' COMPENSATION SELF INSURANCE	STOCK ROOM	EMPLOYEES' HEALTH SELF INSURANCE	HEALTH CARE COST CONTAINMENT	FUEL MANAGEMENT	TOTAL
Cash and investments	\$ 594,674	\$ 1,477,062	\$ 13,953	\$15,665,885	\$ 5,353	\$ 1,832,244	\$19,589,171
Accounts receivable	-	973	-	397,087	-	-	398,060
Inventories	-	-	136,947	-	-	-	136,947
Prepaid items	-	-	-	89,883	-	-	89,883
<b>TOTAL ASSETS</b>	<b><u>\$ 594,674</u></b>	<b><u>\$ 1,478,035</u></b>	<b><u>\$ 150,900</u></b>	<b><u>\$16,152,855</u></b>	<b><u>\$ 5,353</u></b>	<b><u>\$ 1,832,244</u></b>	<b><u>\$20,214,061</u></b>
<u>LIABILITIES AND NET POSITION</u>							
LIABILITIES							
Accounts payable	\$ 162,335	\$ 1,101,877	\$ -	\$ 3,814,805	\$ 1,043	\$ 3,067	\$ 5,083,127
Accrued payroll	-	-	-	3,127	-	-	3,127
Unearned revenue	-	-	-	61,610	-	-	61,610
<b>TOTAL LIABILITIES</b>	<b><u>162,335</u></b>	<b><u>1,101,877</u></b>	<b><u>-</u></b>	<b><u>3,879,542</u></b>	<b><u>1,043</u></b>	<b><u>3,067</u></b>	<b><u>5,147,864</u></b>
NET POSITION							
Unrestricted	<u>432,339</u>	<u>376,158</u>	<u>150,900</u>	<u>12,273,313</u>	<u>4,310</u>	<u>1,829,177</u>	<u>15,066,197</u>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 594,674</u></b>	<b><u>\$ 1,478,035</u></b>	<b><u>\$ 150,900</u></b>	<b><u>\$16,152,855</u></b>	<b><u>\$ 5,353</u></b>	<b><u>\$ 1,832,244</u></b>	<b><u>\$20,214,061</u></b>



**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	LIABILITY SELF INSURANCE	WORKERS' COMPENSATION SELF INSURANCE	STOCK ROOM	EMPLOYEES' HEALTH SELF INSURANCE	HEALTH CARE COST CONTAINMENT	FUEL MANAGEMENT	TOTAL
<b>OPERATING REVENUE</b>							
Interfund charges for services	\$ -	\$ 400,284	\$ -	\$13,774,800	\$ -	\$ 14,936	\$14,190,020
Miscellaneous	132,889	50,495	902	658,542	-	-	842,828
TOTAL OPERATING REVENUE	<u>132,889</u>	<u>450,779</u>	<u>902</u>	<u>14,433,342</u>	<u>-</u>	<u>14,936</u>	<u>15,032,848</u>
<b>OPERATING EXPENSES</b>							
Operations	38,843	-	-	451,029	23,240	96,533	609,645
Claims	145,651	446,021	5,802	11,084,381	-	-	11,681,855
TOTAL OPERATING EXPENSES	<u>184,494</u>	<u>446,021</u>	<u>5,802</u>	<u>11,535,410</u>	<u>23,240</u>	<u>96,533</u>	<u>12,291,500</u>
OPERATING (LOSS) INCOME	(51,605)	4,758	(4,900)	2,897,932	(23,240)	(81,597)	2,741,348
<b>NONOPERATING REVENUE</b>							
Interest income	-	-	-	27,408	-	-	27,408
(LOSS) INCOME BEFORE TRANSFERS	(51,605)	4,758	(4,900)	2,925,340	(23,240)	(81,597)	2,768,756
TRANSFERS IN	-	-	-	-	27,550	-	27,550
CHANGE IN NET POSITION	(51,605)	4,758	(4,900)	2,925,340	4,310	(81,597)	2,796,306
NET POSITION - BEGINNING	<u>483,944</u>	<u>371,400</u>	<u>155,800</u>	<u>9,347,973</u>	<u>-</u>	<u>1,910,774</u>	<u>12,269,891</u>
<b>NET POSITION - ENDING</b>	<b><u>\$ 432,339</u></b>	<b><u>\$ 376,158</u></b>	<b><u>\$ 150,900</u></b>	<b><u>\$12,273,313</u></b>	<b><u>\$ 4,310</u></b>	<b><u>\$ 1,829,177</u></b>	<b><u>\$15,066,197</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	LIABILITY SELF INSURANCE	WORKERS' COMPENSATION SELF INSURANCE	STOCK ROOM	EMPLOYEES' HEALTH SELF INSURANCE	HEALTH COST CONTAINMENT	FUEL MANAGEMENT	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers and users	\$ -	\$ -	\$ -	\$ 1,333,104	\$ -	\$ -	\$ 1,333,104
Receipts from quasi-external transactions	132,889	449,806	902	13,160,187	-	14,936	13,758,720
Payments to suppliers for goods and services	(121,011)	-	(14,278)	(63,721)	(25,997)	(96,533)	(321,540)
Payments for employees for services	-	-	-	(70,770)	-	-	(70,770)
Payments for employee benefits	-	(326,299)	-	(11,761,331)	-	3,067	(12,084,563)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	11,878	123,507	(13,376)	2,597,469	(25,997)	(78,530)	2,614,951
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Operating transfers from other funds	-	-	-	-	27,550	-	27,550
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>							
Interest received	-	-	-	27,408	-	-	27,408
NET INCREASE (DECREASE) IN CASH AND INVESTMENTS	11,878	123,507	(13,376)	2,624,877	1,553	(78,530)	2,669,909
CASH AND INVESTMENTS - BEGINNING	582,796	1,353,555	27,329	13,041,008	3,800	1,910,774	16,919,262
<b>CASH AND INVESTMENTS - ENDING</b>	<b>\$ 594,674</b>	<b>\$ 1,477,062</b>	<b>\$ 13,953</b>	<b>\$ 15,665,885</b>	<b>\$ 5,353</b>	<b>\$ 1,832,244</b>	<b>\$ 19,589,171</b>
Reconciliation of operating (loss) income to net cash provided by (used in) operating activities							
Operating (loss) income	\$ (51,605)	\$ 4,758	\$ (4,900)	\$ 2,897,932	\$ (23,240)	\$ (81,597)	\$ 2,741,348
Adjustments to reconcile operating (loss) income to net cash flows from operating activities							
Changes in assets and liabilities							
(Increase) decrease in assets							
Receivables	-	(973)	-	63,429	-	-	62,456
Prepaid expenses	-	-	-	(89,875)	-	-	(89,875)
Inventories	-	-	(5,949)	-	-	-	(5,949)
Increase (decrease) in liabilities							
Accounts payable	63,483	119,722	(2,527)	(273,664)	(2,757)	3,067	(92,676)
Accrued payroll	-	-	-	3,127	-	-	3,127
Unearned revenue	-	-	-	(3,480)	-	-	(3,480)
Total adjustments	63,483	118,749	(8,476)	(300,463)	(2,757)	3,067	(126,397)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 11,878</b>	<b>\$ 123,507</b>	<b>\$ (13,376)</b>	<b>\$ 2,597,469</b>	<b>\$ (25,997)</b>	<b>\$ (78,530)</b>	<b>\$ 2,614,951</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEET**  
**ALL AGENCY FUNDS**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	<u>PROPERTY TAX</u>	<u>INVESTED CASH</u>	<u>OTHER</u>	<u>TOTAL</u>
Cash and investments	\$ 27,166,138	\$ (7,614)	\$ 51,293	\$ 27,209,817
Taxes receivable	26,839,130	-	-	26,839,130
Accounts receivable	<u>-</u>	<u>7,614</u>	<u>16,069</u>	<u>23,683</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 54,005,268</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 67,362</u></b>	<b><u>\$ 54,072,630</u></b>
<u>LIABILITIES</u>				
Accounts payable	\$ 28,296	\$ -	\$ -	\$ 28,296
Due to other governments	53,976,972	-	-	53,976,972
Due to others	<u>-</u>	<u>-</u>	<u>67,362</u>	<u>67,362</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 54,005,268</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 67,362</u></b>	<b><u>\$ 54,072,630</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ALL AGENCY FUNDS**  
**DECEMBER 31, 2015**

<u>ASSETS</u>	<u>BALANCE JANUARY 1, 2015</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE DECEMBER 31, 2015</u>
Property Tax				
Cash and investments	\$ 18,983,953	\$ 60,241,053	\$ 52,058,868	\$ 27,166,138
Taxes receivable	33,116,879	26,839,130	33,116,879	26,839,130
Invested Cash				
Cash and investments	(4,281)	682,447	685,780	(7,614)
Accounts receivable	4,281	685,780	682,447	7,614
Other				
Cash and investments	48,191	51,293	48,191	51,293
Accounts receivable	<u>16,069</u>	<u>16,069</u>	<u>16,069</u>	<u>16,069</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 52,165,092</u></b>	<b><u>\$ 88,515,772</u></b>	<b><u>\$ 86,608,234</u></b>	<b><u>\$ 54,072,630</u></b>
 <u>LIABILITIES</u>				
Property Tax				
Accounts payable	\$ 41,964	\$ 28,296	\$ 41,964	\$ 28,296
Due to other governments	52,058,868	53,976,972	52,058,868	53,976,972
Other				
Due to others	<u>64,260</u>	<u>67,362</u>	<u>64,260</u>	<u>67,362</u>
<b>TOTAL LIABILITIES</b>	<b><u>\$ 52,165,092</u></b>	<b><u>\$ 54,072,630</u></b>	<b><u>\$ 52,165,092</u></b>	<b><u>\$ 54,072,630</u></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, 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, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated June 30, 2016.

**Internal Control Over Financial Reporting**

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

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

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

## **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*.

## **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  
June 30, 2016