

**CITY OF LA CROSSE, WISCONSIN**

**INDEPENDENT AUDITORS' REPORTS  
ON COMMUNICATIONS WITH THOSE  
CHARGED WITH GOVERNANCE AND  
ON MANAGEMENT ADVISORY  
COMMENTS**

**DECEMBER 31, 2017**

# CITY OF LA CROSSE, WISCONSIN

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**INDEPENDENT AUDITORS' REPORT ON  
COMMUNICATIONS WITH THOSE CHARGED WITH GOVERNANCE**

To the Common Council  
City of La Crosse, Wisconsin

We have audited the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of La Crosse, Wisconsin, for the year ended December 31, 2017. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Grant Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 13, 2018. Professional standards also require that we provide you with the following information related to our audit.

**Significant Audit Findings**

*Qualitative Aspects of Accounting Practices*

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the City are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the City during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the City's financial statements were:

- Depreciation is based on using the straight-line method over the estimated useful life of the asset.
- The liability for health care claims, workers compensation claims, and liability claims at year end is based on estimates of the ultimate cost of reported claims and an estimate for claims incurred but not reported, based on historical experience.
- The allowance for doubtful accounts for accounts receivable is based on the status of court penalty collections.
- The other post-employment benefits (OPEB) liability is based on an actuarial review of the City's health benefits plan and employee base.

- The net pension liability (WRS) is based on an actuarial review of the statewide retirement system (WRS). The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2015 rolled forward to December 31, 2016. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all participating employers.

We evaluated key factors and assumptions used to develop the estimates in determining that they are reasonable in relation to the financial statements taken as a whole.

The financial statement disclosures are neutral, consistent, and clear.

#### *Difficulties Encountered in Performing the Audit*

We encountered no significant difficulties in dealing with management in performing and completing our audit.

#### *Corrected and Uncorrected Misstatements*

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. The misstatements listed on pages 5-13 were detected as a result of audit procedures and were corrected by management.

#### *Disagreements With Management*

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

#### *Management Representations*

We have requested certain representations from management that are included in the management representation letter dated September 7, 2018.

#### *Management Consultations With Other Independent Accountants*

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the City's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

#### *Other Audit Findings or Issues*

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the City's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

We applied certain limited procedures to the management's discussion and analysis, schedule of funding progress - post-employment healthcare benefits, budgetary comparison information, and Wisconsin Retirement System Schedules, which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on the combining nonmajor fund financial statements, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

## **Restriction on Use**

This information is intended solely for the use of the City Council and management of the City and is not intended to be, and should not be, used by anyone other than these specified parties.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
September 7, 2018

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 1</u></b>			
To adjust state grant revenue received to the correct revenue account.			
0234-S-370-4-4376-00-00000	PAYMENT FOR SERVICES	23,637	
0234-S-370-4-4352-00-00000	STATE GRANTS PUBLIC SAFETY		23,637
	<b>TOTAL</b>	<b><u>23,637</u></b>	<b><u>23,637</u></b>
<b><u>Adjusting Journal Entry # 2</u></b>			
To record accrued interest for enterprise fund debt.			
0600-E-100-5-5620-00-00000	INTEREST PAYMENTS	83,095	
0610-E-702-5-5620-00-00000	INTEREST PAYMENTS	167,943	
0600-E-000-0-2160-00-00000	ACCRUED INTEREST		83,095
0610-E-000-0-2160-00-00000	ACCRUED INTEREST		167,943
	<b>TOTAL</b>	<b><u>251,038</u></b>	<b><u>251,038</u></b>
<b><u>Adjusting Journal Entry # 3</u></b>			
To adjust long term debt account grouping balances.			
0950-D-000-0-1990-06-00000	AMOUNT PROVIDED FOR AIRPORT	3,265,000	
0950-D-000-0-2918-71-00000	2014-A PROMISSORY NOTE	1,000,000	
0950-D-000-0-2919-11-00000	2015-A CORPORATE PURPOSE BOND	105,000	
0950-D-000-0-2919-12-00000	2015-B AIRPORT AMT BONDS	185,000	
0950-D-000-0-2919-21-00000	2015-C PROMISSORY NOTE	610,000	
0950-D-000-0-2919-22-00000	2015-D STATE TRUST FUND	31,041	
0950-D-000-0-2919-23-00000	2015-E STATE TRUST FUND	29,866	
0950-D-000-0-2919-31-00000	2016-A PROMISSORY NOTE	910,000	
0950-D-000-0-2919-32-00000	2016-B TAXABLE PROMISSORY NOTE	4,190,000	
0950-D-000-0-2920-03-00000	2006-A CORPORATE PURPOSE	200,000	
0950-D-000-0-2920-06-00000	2007-A CORPORATE PURPOSE	600,000	
0950-D-000-0-2920-08-00000	2007-C REFUNDING CORPORATE PUR	685,000	
0950-D-000-0-2920-09-00000	2008-A PROMISSORY NOTE	800,000	
0950-D-000-0-2920-11-00000	2009-A PROMISSORY NOTE	950,000	
0950-D-000-0-2920-15-00000	2010-A CORPORATE PURPOSE	410,000	
0950-D-000-0-2920-16-00000	2010-B PROMISSORY NOTE	375,000	
0950-D-000-0-2920-17-00000	2010-C GO REFUNDING BONDS	220,000	
0950-D-000-0-2920-19-00000	2011-A CORPORATE PURPOSE	360,000	
0950-D-000-0-2920-20-00000	2011-B PROMISSORY NOTE	405,000	
0950-D-000-0-2920-21-00000	2011-C GO BOND	525,000	
0950-D-000-0-2920-22-00000	2012-A GO PN	310,000	
0950-D-000-0-2920-23-00000	2012-B GO PN & REFUNDING	215,000	
0950-D-000-0-2920-24-00000	2013-A CORPORATE PURPOSE	255,000	
0950-D-000-0-2920-25-00000	2013-B PROMISSORY NOTE	200,000	
0950-D-000-0-2920-26-00000	2013-C TAXABLE PROM NOTE	60,000	
0950-D-000-0-1990-00-00000	AMOUNT TO BE PROVIDED FOR DEBT		12,805,907
0950-D-000-0-2919-35-00000	2017 STATE TRUST FUND LOAN		825,000
0950-D-000-0-2926-00-00000	AIRPORT GO DEBT CONTRA		3,265,000
	<b>TOTAL</b>	<b><u>16,895,907</u></b>	<b><u>16,895,907</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 4</u></b>			
To adjust HOME and CDBG equity and revenue due to prior year entry not recorded.			
2020-S-821-4-4325-01-00000	FEDERAL GRANTS HUD	242	
2254-S-821-4-4325-01-00000	FEDERAL GRANTS HUD	183	
2257-S-821-4-4325-01-00000	FEDERAL GRANTS HUD	85,256	
2259-S-821-4-4325-01-00000	2016 CDBG FED GRANTS HUD	33,031	
2725-S-825-4-4325-01-00000	FEDERAL GRANTS HUD	19,446	
2726-S-825-4-4325-01-00000	FEDERAL GRANTS HUD	51,129	
2727-S-825-4-4325-01-00000	FEDERAL GRANTS HUD	20,244	
2020-S-000-0-3410-00-00000	FB RESERVED		242
2254-S-000-0-3410-00-00000	FB RESERVED		183
2257-S-000-0-3410-00-00000	FB RESERVED		85,256
2259-S-000-0-3410-00-00000	FB RESERVED		33,031
2725-S-000-0-3410-00-00000	FB RESERVED		19,446
2726-S-000-0-3410-00-00000	FB RESERVED		51,129
2727-S-000-0-3410-00-00000	FB RESERVED		20,244
	<b>TOTAL</b>	<b><u>209,531</u></b>	<b><u>209,531</u></b>
<b><u>Adjusting Journal Entry # 5</u></b>			
To record HOME and CDBG accounts receivable and revenue.			
2259-S-000-0-1410-01-00000	DUE FROM HUD	115,737	
2260-S-000-0-1410-01-00000	DUE FROM HUD	48,328	
2728-S-000-0-1410-01-00000	DUE FROM HUD	11,780	
2729-S-000-0-1410-01-00000	DUE FROM HUD	3,432	
2730-S-000-0-1410-01-00000	DUE FROM HUD	45,921	
2259-S-821-4-4325-01-00000	2016 CDBG FED GRANTS HUD		115,737
2260-S-821-4-4325-01-00000	2017 CDBG FED GRANTS HUD		48,328
2728-S-825-4-4325-01-00000	FEDERAL GRANTS HUD		11,780
2729-S-825-4-4325-01-00000	FEDERAL GRANTS HUD		3,432
2730-S-825-4-4325-01-00000	FEDERAL GRANTS HUD		45,921
	<b>TOTAL</b>	<b><u>225,198</u></b>	<b><u>225,198</u></b>
<b><u>Adjusting Journal Entry # 6</u></b>			
To adjust Airport debt that was recorded as GO Bond Payable and an Advance from Debt Service.			
0600-E-000-0-2730-00-00000	ADVANCE FROM DEBT SERVICE FUND	3,265,000	
0600-E-100-4-4861-20-00000	CONTRIBUTIONS FROM OTHER		3,265,000
	<b>TOTAL</b>	<b><u>3,265,000</u></b>	<b><u>3,265,000</u></b>
<b><u>Adjusting Journal Entry # 7</u></b>			
To adjust the Worker's Compensation Account to actual.			
0859-X-340-5-5219-30-00000	MEDICAL SERVICES	10,382	
0859-X-000-0-1150-00-00000	RESTRICTED CASH/INVESTMENTS		10,382
	<b>TOTAL</b>	<b><u>10,382</u></b>	<b><u>10,382</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 8</u></b>			
To record Water contra proceeds for 2017 A issuance.			
4012-C-195-4-4996-45-00000	WATER PROCEEDS CONTRA	200,000	
4012-C-000-2596-45-00000	DUE TO WATER RESERVES		200,000
	<b>TOTAL</b>	<b>200,000</b>	<b>200,000</b>
<b><u>Adjusting Journal Entry # 9</u></b>			
Entry to correct cash.			
0478-C-990-5-5781-00-00000	TIF14 RPL HSG ADMIN	291	
0478-C-000-0-1110-00-00000	WORKING CASH		291
	<b>TOTAL</b>	<b>291</b>	<b>291</b>
<b><u>Adjusting Journal Entry # 10</u></b>			
Entry to correct cash for Airport, original entry cash was debited and should have been credited.			
0600-E-100-5-5261-00-00000	CITY SERVICES	7,056	
0600-E-000-0-1110-00-00000	WORKING CASH		7,056
	<b>TOTAL</b>	<b>7,056</b>	<b>7,056</b>
<b><u>Adjusting Journal Entry # 11</u></b>			
To adjust transfer of funds between TIF funds and GO debt accounts TIF activity entry incomplete.			
0459-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	251,340	
0459-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	395,000	
0472-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	294,000	
0474-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	148,000	
0476-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	800	
0476-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	148,660	
0459-C-990-4-4924-00-00000	TRANSFER FROM - CAPITAL PROJECT FUND		251,340
0459-C-990-4-4924-00-00000	TRANSFER FROM - CAPITAL PROJECT FUND		395,000
0472-C-990-4-4924-00-00000	TRANSFER FROM - CAPITAL PROJECT FUND		294,000
0474-C-990-4-4924-00-00000	TRANSFER FROM - CAPITAL PROJECT FUND		148,000
0476-C-000-0-1110-00-00000	WORKING CASH		800
0476-C-990-4-4924-00-00000	TRANSFER FROM - CAPITAL PROJECT FUND		148,660
	<b>TOTAL</b>	<b>1,237,800</b>	<b>1,237,800</b>
<b><u>Adjusting Journal Entry # 12</u></b>			
To record bond discount on the balance sheet instead of an expense.			
0600-E-000-0-2980-00-00000	UNAMORTIZED BOND PREMIUM/DISCOUNT	18,383	
0610-E-000-0-2980-00-00000	UNAMORTIZED BOND PREMIUM/DISCOUNT	36,087	
0600-E-100-5-5691-00-00000	DISCOUNT/ISSUE COSTS		18,383
0610-E-701-5-5691-00-00000	DISCOUNT/ISSUE COSTS		36,087
	<b>TOTAL</b>	<b>54,470</b>	<b>54,470</b>



**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 13</u></b>			
To record Fire department compensated absences in long term obligation fund.			
0950-D-000-0-1990-01-00000	UNFUNDED ACCRUED SICK/VACATION	779,348	
0950-D-000-0-2962-01-00000	ACCRUED SICK PAY		248,329
0950-D-000-0-2962-02-00000	ACCRUED VACATION PAY		531,019
	<b>TOTAL</b>	<b><u>779,348</u></b>	<b><u>779,348</u></b>
<b><u>Adjusting Journal Entry # 14</u></b>			
To record new loan as deferred revenue.			
0478-C-990-4-4691-00-00000	LOAN PRINCIPAL PAYMENTS	50,000	
0478-C-000-0-2670-02-00000	DEFERRED LOAN PRINC RECEIVABLE		50,000
	<b>TOTAL</b>	<b><u>50,000</u></b>	<b><u>50,000</u></b>
<b><u>Adjusting Journal Entry # 15</u></b>			
To adjust enterprise fund deferred outflows for WRS.			
0600-E-100-5-5133-10-00000	GASB 68 WRS ALLOCATED	47,460	
0610-E-701-5-5133-10-00000	GASB 68 WRS ALLOCATED	30,119	
0630-E-887-5-5133-10-00000	GASB 68 WRS ALLOCATED	72,675	
0650-E-890-5-5133-10-00000	GASB 68 WRS ALLOCATED	17,055	
0600-E-000-0-1925-00-00000	DEFERRED OUTFLOW WRS PENSION		47,460
0610-E-000-0-1925-00-00000	DEFERRED OUTFLOW WRS PENSION		30,119
0630-E-000-0-1925-00-00000	DEFERRED OUTFLOW WRS PENSION		72,675
0650-E-000-0-1925-00-00000	DEFERRED OUTFLOW WRS PENSION		17,055
	<b>TOTAL</b>	<b><u>167,309</u></b>	<b><u>167,309</u></b>
<b><u>Adjusting Journal Entry # 16</u></b>			
To record transit depreciation.			
0640-E-640-5-5540-01-00000	DEPRECIATION	639,053	
0640-E-000-0-1858-97-00000	ACCUMULATED DEPRECIATION - TRANSIT CENTER		231,635
0640-E-000-0-1858-98-00000	ACCUMULATED DEPRECIATION - BUS SERVICE		24,630
0640-E-000-0-1858-99-00000	ACCUMULATED DEPRECIATION - BUS SHELTERS		2,879
0640-E-000-0-1859-01-00000	ACCUMULATED DEPRECIATION - BUSES		339,616
0640-E-000-0-1859-02-00000	ACCUMULATED DEPRECIATION - SERVICE EQUIPMENT		20,578
0640-E-000-0-1859-03-00000	ACCUMULATED DEPRECIATION - COMMUNICATION EQUIPMENT		13,216
0640-E-000-0-1859-04-00000	ACCUMULATED DEPRECIATION - SHOP EQUIPMENT		5,545
0640-E-000-0-1859-06-00000	ACCUMULATED DEPRECIATION - SIGNS		954
	<b>TOTAL</b>	<b><u>639,053</u></b>	<b><u>639,053</u></b>
<b><u>Adjusting Journal Entry # 17</u></b>			
To correct groupings in Parking Utility.			
0610-E-000-0-1867-09-00000	INVENTORY	60,414	
0610-E-000-0-1867-11-00000	PINE STREET RAMP	17,153,372	
0610-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	29,833	
0610-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	280,229	
0610-E-701-5-5540-01-00000	DEPRECIATION	86	
0610-E-701-5-5540-01-00000	DEPRECIATION	929,809	

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 17 - Continued</u></b>			
0610-E-000-0-1860-00-00000	INFRASTRUCTURE		17,153,372
0610-E-000-0-1869-00-00000	ACCUMULATED DEPRECIATION - INFRASTRUCTURE		929,809
0610-E-701-5-5819-15-02512	RVRSD PARKING STRUCTURE ADDN		280,229
0610-E-701-5-5860-00-EQP11	2011 NEW EQUIPMENT		7,405
0610-E-701-5-5860-00-EQP16	2016 NEW EQUIPMENT		22,428
0610-E-701-5-5860-00-EQP17	2017 NEW EQUIPMENT		60,414
0610-E-701-5-5910-04-00000	LOSS ON SALE OF FIXED ASSETS		86
	<b>TOTAL</b>	<b><u>18,453,743</u></b>	<b><u>18,453,743</u></b>

**Adjusting Journal Entry # 18**

To record storm fixed assets.

0650-E-000-0-1860-00-00000	INFRASTRUCTURE	105,578	
0650-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	1,880,866	
0650-E-890-5-5540-01-00000	DEPRECIATION	39,231	
0650-E-000-0-1869-00-00000	ACCUMULATED DEPRECIATION - INFRASTRUCTURE		39,231
0650-E-890-4-4861-20-00000	CONTRIBUTIONS FROM OTHER		913,499
0650-E-890-5-5826-15-02492	2016 PAVEMENT & CURB & GUTTER		34,450
0650-E-890-5-5826-15-02503	ROSE ST ST SWR PALACE LIVINGST		3,983
0650-E-890-5-5826-15-02600	CASS ST STM SWR DSGN 5TH TO8TH		6,179
0650-E-890-5-5826-15-02602	2017 CURB RAMP CORNER RPLC		12,697
0650-E-890-5-5826-15-02625	FERRY & 6TH ST STRM SWR & UTIL		913,499
0650-E-890-5-5826-15-02647	2017 UTILITY REPLACEMENT PROJ		44,659
0650-E-890-5-5826-15-02687	17TH ST NEIGHBORHOOD GREENWAY		9,209
0650-E-890-5-5860-00-EQP17	2017 NEW EQUIPMENT		48,269
	<b>TOTAL</b>	<b><u>2,025,675</u></b>	<b><u>2,025,675</u></b>

**Adjusting Journal Entry # 19**

To book sewer fixed assets.

0630-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	1,624,854	
0630-E-887-5-5540-01-00000	DEPRECIATION	853,904	
0632-E-887-5-5926-30-00000	TRANSFER TO WWU	70,000	
0630-E-000-0-1869-02-00000	ACCUMULATED DEPRECIATION		853,904
0630-E-887-4-4861-20-00000	CONTRIBUTIONS FROM OTHER		4,974
0630-E-887-4-4926-32-00000	TRANSFER FROM - EQUIPMENT REPLACEMENT		70,000
0630-E-887-5-5860-00-EQP17	2017 NEW EQUIPMENT		292,832
0630-E-888-5-5821-10-02637	COLD STORAGE OVERHEAD DOOR		20,887
0630-E-888-5-5821-15-02502	2016 SAN SEWER REPAIR & REHAB PROJECT		30,322
0630-E-888-5-5821-15-02513	FARNAM CT SEWER & WATER CONSTRUCTION		1,143
0630-E-888-5-5821-15-02610	MILW/ST ANDREW ST CURB/GUTTER UTILITY		75,102
0630-E-888-5-5821-15-02625	FERRY & 6TH ST STORM SEWER & UTILITY		319,602
0630-E-888-5-5821-15-02627	2017 CURB & GUTTER REPLACEMENT		9,750
0630-E-888-5-5821-15-02647	2017 UTILITY REPLACEMENT PROJECT		157,730
0630-E-888-5-5821-15-02651	LRIP-WINNBG,JOHNSN & ADAMS STS		148,694
0630-E-888-5-5821-25-02611	REHAB DIGESTER COVER #2		484,325
0630-E-888-5-5846-00-02589	DESIGN SRVCS REHAB DIGESTER CO		9,493
0632-E-887-5-5821-25-02642	17 DIGSTER REHAB MGMT SERVICES		70,000
	<b>TOTAL</b>	<b><u>2,548,758</u></b>	<b><u>2,548,758</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 20</u></b>			
To adjust loss on disposal of fixed assets in sewer.			
0630-E-000-0-1869-02-00000	ACCUMULATED DEPRECIATION	20,365	
0630-E-887-5-5910-04-00000	LOSS ON SALE OF FIXED ASSETS	500,261	
0630-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS		17,365
0630-E-887-4-4861-20-00000	CONTRIBUTIONS FROM OTHER		471,520
0630-E-887-5-5540-01-00000	DEPRECIATION		31,741
	<b>TOTAL</b>	<b><u>520,626</u></b>	<b><u>520,626</u></b>
<b><u>Adjusting Journal Entry # 21</u></b>			
To make changes to Airport CWIP			
0600-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	722,404	
0600-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	2,195,186	
0600-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	2,259,499	
0600-E-000-0-1620-00-00000	PREPAID EXPENSE		2,195,186
0600-E-000-0-2110-00-00000	ACCOUNTS PAYABLE		722,404
0600-E-100-4-4861-10-00000	CONTRIBUTIONS FROM FEDERAL		1,775,465
0600-E-100-4-4861-20-00000	CONTRIBUTIONS FROM OTHER		484,034
	<b>TOTAL</b>	<b><u>5,177,089</u></b>	<b><u>5,177,089</u></b>
<b><u>Adjusting Journal Entry # 22</u></b>			
Entry to record airport fixed assets.			
0600-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	118,395	
0600-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	123,232	
0600-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS	137,006	
0600-E-000-0-1880-07-00000	AIRPORT FACILITY	9,148	
0600-E-000-0-1880-07-00000	AIRPORT FACILITY	14,749	
0603-E-100-5-5926-03-00000	TRANSFER TO AIRPORT	123,232	
0604-e-100-5-5926-04-00000	TRANSFER TO AIRPORT	137,006	
2003-s-100-5-5926-00-00000	TRANSFER TO AIRPORT	118,395	
0600-E-100-4-4922-03-00000	TRANSFER FIN FROM PFC FUND		118,395
0600-E-100-4-4926-03-00000	TRANSFER FROM AIRPORT CUST FACILITY		123,232
0600-E-100-4-4926-04-00000	TRANSFER FROM AIRPORT O&M CAPITALS		137,006
0600-E-100-5-5860-00-EQP17	2017 CAPITAL EQUIPMENT		9,148
0600-E-100-5-5860-00-EQP17	2017 CAPITAL EQUIPMENT		14,749
0603-E-100-5-5810-05-15022	AIRPORT PARKING SYSTEM IMPROVE		13,500
0603-E-100-5-5810-35-17001	CONSOLIDATED CAR RENTAL SERVICNG FACILITY		109,732
0604-E-100-5-5810-05-15010	MAINT FUEL FARM RELOC/TANK		282
0604-E-100-5-5810-05-15011	FANTA REED RD EXPANSION		13,402
0604-E-100-5-5810-05-15015	AIRPORT LED LIGHTING CONVERSIO		31,387
0604-E-100-5-5810-10-15019	AIRPORT T-HANGER REHAB & MAINTENANCE		590
0604-E-100-5-5810-25-15021	CHEMICAL APPLICATION TRUCK EQUIPMENT		91,345
2003-S-100-5-5810-05-16004	PERIMETER GATE REPLACEMENT/FEN		93,258
2003-S-100-5-5810-05-16006	AIRFIELD LIGHTING REPLACEMENT		25,137
	<b>TOTAL</b>	<b><u>781,163</u></b>	<b><u>781,163</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 23</u></b>			
To correct cash by recording sale of land.			
0100-G-000-0-1110-00-00000	WORKING CASH	350,000	
0100-G-423-5-5922-00-00000	TRANSFER TO - SPECIAL REVENUE FUND	350,000	
0507-S-000-0-1110-00-00000	WORKING CASH	350,000	
0900-F-000-0-1820-00-00000	LAND	350,000	
0100-G-000-0-1110-00-00000	WORKING CASH		350,000
0100-G-400-4-4830-06-00000	SALE OF LAND		350,000
0507-S-820-4-4921-00-00000	TRANSFER FROM - GENERAL FUND		350,000
0900-F-000-0-3200-00-00000	INVESTMENT IN GFA		350,000
	<b>TOTAL</b>	<b><u>1,400,000</u></b>	<b><u>1,400,000</u></b>
<b><u>Adjusting Journal Entry # 24</u></b>			
To correct cash by reversing an entry that was recorded twice.			
0100-G-000-0-2421-03-00000	DUE TO STATE SALES TAX	1,441	
0201-S-000-0-1310-00-00000	ACCOUNTS RECEIVABLE	6,266	
0201-S-000-0-2690-00-00000	DEFERRED REVENUE	20,229	
0100-G-000-0-1110-00-00000	WORKING CASH		1,441
0201-S-000-0-1110-00-00000	WORKING CASH		26,495
	<b>TOTAL</b>	<b><u>27,936</u></b>	<b><u>27,936</u></b>
<b><u>Adjusting Journal Entry # 25</u></b>			
To adjust TIF revenue and interfund.			
0476-C-000-0-2711-00-00000	ADVANCE FROM GENERAL FUND	1,000	
0476-C-990-4-4685-00-02311	ECONOMIC DEVELOPMENT G2G LLC/SNAP FITNESS		1,000
	<b>TOTAL</b>	<b><u>1,000</u></b>	<b><u>1,000</u></b>
<b><u>Adjusting Journal Entry # 26</u></b>			
To correct water reserve amounts for new debt.			
0650-E-000-0-1594-00-00000	RESERVED DUE FROM CAPITAL FUND	50,000	
0650-E-890-4-4861-20-00000	CONTRIBUTIONS FROM OTHER		50,000
	<b>TOTAL</b>	<b><u>50,000</u></b>	<b><u>50,000</u></b>
<b><u>Adjusting Journal Entry # 27</u></b>			
To adjust interfunds.			
0403-C-195-5-5996-50-00000	SWU OUTLAY CONTRA	637	
0440-C-195-5-5996-45-00000	WATER UTILITY OUTLAY CONTRA	35,875	
0403-C-000-0-2596-45-00000	DUE TO WATER RESERVED		637
0440-C-000-0-2596-45-00000	DUE TO WATER RESERVED		35,875
	<b>TOTAL</b>	<b><u>36,512</u></b>	<b><u>36,512</u></b>
<b><u>Adjusting Journal Entry # 28</u></b>			
To record transfer of excess increment from TID 8 to TID 6. TID 8 is closing in 2018 so this will make the fund have a zero fund balance at the end of 2017.			
0465-C-000-0-1110-00-00000	WORKING CASH	213,320	
0468-C-990-5-5924-65-00000	TRANSFER TO TIF #6	213,320	
0465-C-990-4-4924-68-00000	TRANSFER FROM TIF #8		213,320
0468-C-000-0-1110-00-00000	WORKING CASH		213,320
	<b>TOTAL</b>	<b><u>426,640</u></b>	<b><u>426,640</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 29</u></b>			
Entry to adjust general fund cash.			
0100-G-400-4-4671-11-00000	OVER/SHORT TREASURER	218	
0100-G-000-0-1110-00-00000	WORKING CASH		218
	<b>TOTAL</b>	<b>218</b>	<b>218</b>
<b><u>Adjusting Journal Entry # 30</u></b>			
Entry to correct overstated revenue on invoice 152070.			
0509-S-760-4-4850-00-02499	TRANE PARK - DONATIONS	36	
0509-S-000-0-1110-00-00000	WORKING CASH		36
	<b>TOTAL</b>	<b>36</b>	<b>36</b>
<b><u>Adjusting Journal Entry # 31</u></b>			
To correct loss on disposal of fixed asset in Parking Utility.			
0610-E-701-5-5540-01-00000	DEPRECIATION	29,760	
0610-E-000-0-1869-00-00000	ACCUMULATED DEPRECIATION - INFRASTRUCTURE		29,760
	<b>TOTAL</b>	<b>29,760</b>	<b>29,760</b>
<b><u>Adjusting Journal Entry # 32</u></b>			
To adjust Sanitary Sewer CWIP for fixed assets capitalized.			
0630-E-000-0-1865-00-00000	INFRASTRUCTURE	497,767	
0630-E-000-0-1870-00-00000	CONSTRUCTION WORK IN PROGRESS		497,767
	<b>TOTAL</b>	<b>497,767</b>	<b>497,767</b>
<b><u>Adjusting Journal Entry # 33</u></b>			
To record current year activity in general fixed assets.			
0900-F-000-0-1820-00-00000	LAND	1,422,242	
0900-F-000-0-1830-03-00000	BUILDINGS	2,987,958	
0900-F-000-0-1860-01-00000	BRIDGES	7,504	
0900-F-000-0-1861-00-00000	INFRASTRUCTURE - OTHER	1,300,617	
0900-F-000-0-1861-05-00000	INFRASTRUCTURE - STREETS	2,159,532	
0900-F-000-0-1861-15-00000	INFRASTRUCTURE - STORM SEWER	1,178,169	
0900-F-000-0-1861-20-00000	COMMUNICATIONS	75,894	
0900-F-000-0-1861-25-00000	CONTRACTOR'S EQUIPMENT	2,800	
0900-F-000-0-1861-30-00000	EQUIPMENT	642,394	
0900-F-000-0-1861-35-00000	FURNITURE & FIXTURES	26,488	
0900-F-000-0-1861-40-00000	HARDWARE	18,908	
0900-F-000-0-1861-45-00000	IMPROVEMENTS	5,481,197	
0900-F-000-0-1861-50-00000	PROPERTY IN THE OPEN	991,609	
0900-F-000-0-1861-55-00000	SOFTWARE	251,053	
0900-F-000-0-1861-10-00000	INFRASTRUCTURE - STREET LIGHTS		155,282
0900-F-000-0-1861-60-00000	VEHICLES		10,651
0900-F-000-0-3200-00-00000	INVESTMENT IN GFA		16,380,432
	<b>TOTAL</b>	<b>16,546,365</b>	<b>16,546,365</b>

**CITY OF LA CROSSE, WISCONSIN**  
**ADJUSTING JOURNAL ENTRIES**  
**DECEMBER 31, 2017**

<u>Account</u>	<u>Description</u>	<u>Debit</u>	<u>Credit</u>
<b><u>Adjusting Journal Entry # 34</u></b>			
To record general asset depreciation to actual.			
0900-F-000-0-3200-01-00000	CONTRA-DEPR EXPENSE	4,558,137	
0900-F-000-0-1891-00-00000	DEPRECIATION - GENERAL GOVERNMENT		486,520
0900-F-000-0-1891-50-00000	DEPRECIATION - LAW ENFORCEMENT		144,671
0900-F-000-0-1892-00-00000	DEPRECIATION - FIRE PROTECTION		393,710
0900-F-000-0-1892-50-00000	DEPRECIATION - OTHER PUBLIC SAFETY		8,363
0900-F-000-0-1893-00-00000	DEPRECIATION - TRANSPORTATION/HIGHWAY		1,910,606
0900-F-000-0-1893-50-00000	DEPRECIATION - STORM SEWER		285,754
0900-F-000-0-1893-75-00000	DEPRECIATION - DOCKS & HARBORS		20,274
0900-F-000-0-1894-00-00000	DEPRECIATION - SANITATION(REF/RECYLNG)		8,630
0900-F-000-0-1894-50-00000	DEPRECIATION - HEALTH & HUMAN SVCES		15,299
0900-F-000-0-1894-75-00000	DEPRECIATION - LIBRARY		128,983
0900-F-000-0-1895-00-00000	DEPRECIATION - LA CROSSE CENTER		408,711
0900-F-000-0-1895-25-00000	DEPRECIATION - PARKS & RECREATION		575,219
0900-F-000-0-1895-75-00000	DEPRECIATION - CONSERVATION & DEVELOPMENT		171,397
	<b>TOTAL</b>	<b><u>4,558,137</u></b>	<b><u>4,558,137</u></b>
<b><u>Adjusting Journal Entry # 35</u></b>			
To record airport depreciation.			
0600-E-100-5-5540-01-00000	DEPRECIATION	1,773,734	
0600-E-000-0-1869-03-00000	ACCUMULATED DEPRECIATION - AIRPORT		1,773,734
	<b>TOTAL</b>	<b><u>1,773,734</u></b>	<b><u>1,773,734</u></b>

**INDEPENDENT AUDITORS' REPORT  
ON MANAGEMENT ADVISORY COMMENTS**

To the Common Council  
City of La Crosse, Wisconsin

We have audited the basic financial statements of the City of La Crosse ("City") as of and for the year ended December 31, 2017, and have issued our report, thereon, dated September 7, 2018. We have also issued a compliance report on the internal control in accordance with *Government Auditing Standards*.

Matters involving internal control, compliance issues, and operations of the City, which came to our attention during the audit, are reported on the following page as management advisory comments.

We would like to take this opportunity to acknowledge the many courtesies extended to us by the City's personnel during the course of our work. In particular, we would like to note the considerable assistance and cooperation provided to us by Valerie Fenske, Bobbi Johnson, and their staff.

We shall be pleased to discuss the matters referred to in this letter. Should you desire assistance in implementing the following suggestions, we would welcome the opportunity to assist you.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
September 7, 2018

## MANAGEMENT ADVISORY COMMENTS

### CURRENT YEAR COMMENTS

#### **Adjusting Journal Entries**

In order for the audited financial statements to be complete, there were a significant amount of journal entries posted during and after audit fieldwork. Some entries were the result of audit procedures and others were to complete year-end accounting. We recommend all year-end entries be completed prior to audit fieldwork.

#### ***New Standard - GASB Statement No. 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions***

This statement improves the accounting and financial reporting for postemployment benefits other than pensions provided to employees of state and local governmental employers. Governments previously were allowed to choose from six different methods with additional variations, now they are limited to a single method of attributing the actuarial present value of projected benefit payments to periods of employee service. This will significantly increase the comparability of the information reported by employers regarding OPEB transactions. The requirements of this statement will improve the decision-usefulness of information in employer financial reports by requiring recognition of the entire OPEB liability. This statement establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit OPEB, this statement identifies the methods and assumptions that are required to be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. This will significantly increase the comparability of OPEB information for Districts. Requirements for note disclosure and required supplementary information are also addressed to create additional transparency. However, this statement does not change how the District should fund its OPEB.

The provisions of this statement are effective for financial statement periods beginning after June 15, 2017. Your December 31, 2018 financial statements will be updated for these new reporting requirements.