

CITY OF LA CROSSE, WISCONSIN

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2024

CITY OF LA CROSSE, WISCONSIN

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INDEPENDENT AUDITORS' REPORT

To the Common Council
City of La Crosse, Wisconsin

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse, Wisconsin (the "City"), as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City, as of December 31, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, OPEB Healthcare defined benefit schedules, Wisconsin Retirement System pension schedules, and Wisconsin Retirement System Local Retiree Life Insurance Fund schedules, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

The combining and individual nonmajor fund financial statements are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 31, 2025 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Hawkins Ash CPAs, LLP

La Crosse, Wisconsin
July 31, 2025

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, 2024

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, 2024. We encourage the reader to consider the information presented here in conjunction with additional information that we have furnished in the City's basic financial statements, which follow this narrative.

The Financial Highlights

When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses can be considered the City's operating results. The City's net position as measured in the Statement of Net Position is one measure of the City's financial position, or financial health. Over time, increases or decreases in the City's net position, as measured in the Statement of Activities are one indicator of whether the City's financial health is improving or deteriorating. However, the City's goal is to provide services that improve the quality of life for our residents, not to generate profits as companies do. For this reason, you will need to consider many other non-financial factors, such as the condition of our roads, the traffic and business generated by having a City owned and maintained airport, the revitalized historic downtown area, and the overall quality of life in assessing the overall health of our City.

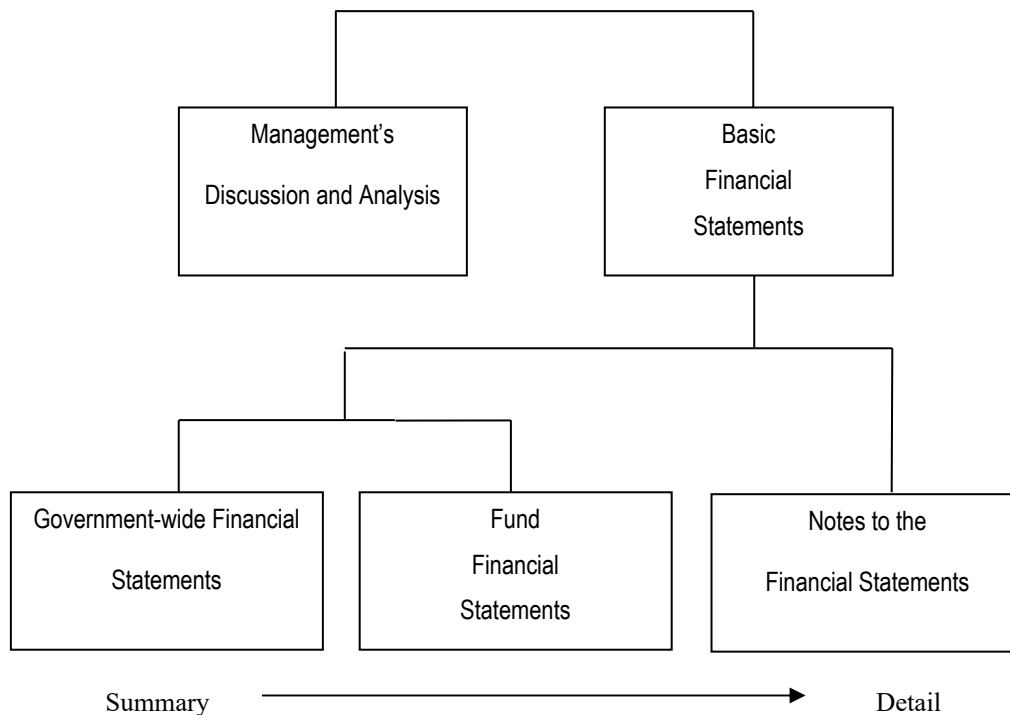
- The assets of the City of La Crosse exceeded its liabilities as of December 31, 2024 by \$556,736,337 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$20,773,275.
- As of December 31, 2024, the City of La Crosse's governmental funds reported combined ending fund balances of \$94,503,011, an increase of \$3,316,431 in comparison with the prior year. As of December 31, 2024, the unassigned fund balance for the general fund was \$24,513,507 or approximately 38.76% of total general fund expenditures.
- The City of La Crosse's total general obligation debt increased by \$2,577,057 or 1.82% during 2024. This increase is attributable to the planning and financing of future capital improvement projects. The City funded \$18,185,000 in capital improvement projects and new equipment purchases as listed in the City's five-year

Capital Improvement Budget and through approved Council resolutions utilizing new borrowed funds. Those projects included various street, streetscaping, alley, bridge, civic center, fire, library, park, storm sewer, transit, airport, and water projects.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the City of La Crosse, Wisconsin's basic financial statements. These basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements (see Figure 1). This report also contains other supplementary information in addition to the basic financial statements themselves that will enhance the reader's understanding of the financial condition of the City of La Crosse, Wisconsin.

Required Components of the Annual Financial Report
Figure 1



Basic Financial Statements

The first two statements in the basic financial statements are the **Government-wide Financial Statements**. They provide both short and long-term information about the City's financial status.

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund

Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

The next section of the basic financial statements is the **notes**. The notes to the financial statements explain in detail some of the data contained in those statements. After the notes, **supplemental information** is provided to show details about the City's individual funds in the form of combining statements. Budgetary information can be found in this part of the statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City of La Crosse's finances, in a manner similar to a private-sector business. The government-wide statements provide short and long-term information about the City's financial status as a whole.

The two government-wide statements report the City's net position and how it has changed. Net position is the difference between the City's total assets and total liabilities. Measuring net position is one way to gauge the City's financial condition.

The statement of activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation and sick leave).

Both of the government-wide financial statements distinguish functions of the City of La Crosse that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The government activities of the City of La Crosse include general government, public safety, public works, health and human services, culture, recreation and leisure, and conservation and development. The business-type activities of the City of La Crosse include: Airport, Parking, Sanitary Sewer Utility, Sanitary Sewer District, Storm Water Utility, and a Water Utility.

The government-wide financial statements include only the activities of the City of La Crosse, Wisconsin.

Fund Financial Statements

The fund financial statements provide a more detailed look at the City's most significant activities. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of La Crosse, Wisconsin, like all other governmental entities in Wisconsin, uses fund accounting to ensure and reflect compliance (or non-compliance) with finance-related legal requirements, such as the State of Wisconsin Statutes or the City's budget resolution. All the funds of the City of La Crosse, Wisconsin can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for those functions reported as governmental activities in the government-wide financial statements. Most of the City's basic services are accounted for in governmental funds. These funds focus on how assets can readily be converted into cash flow in and out, and what monies are left at year-end that will be available for spending in the next year. Governmental funds are reported using an accounting method called *modified accrual accounting* which provides a short-term spending focus. As a result, the governmental fund financial statements give the reader a detailed short-term view that helps him or her determine if there are more or less financial resources available to finance the City's programs. The relationship between government activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is described in a reconciliation that is a part of the fund financial statements.

The City of La Crosse maintains approximately 45 individual governmental funds. Information is presented separately in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, HUD Programs, and the Debt Service Fund, each of which is considered to be a major fund. Data from the remaining governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City of La Crosse adopts an annual appropriated budget for its general fund as required by State Statute. The budget is a legally adopted document that incorporates input from the citizens of the City, the management of the City, and the decisions of the Mayor and Council about which services to provide and how to pay for them. It also authorizes the City to obtain funds from identified sources to finance these current period activities. The budgetary comparison schedule provided for the General Fund demonstrates how well the City complied with the budget resolution and whether or not the City succeeded in providing the services as planned when the budget was adopted. The statement shows four columns: 1) the original budget as adopted by the Common Council; 2) the final budget as amended by the Common Council; 3) the actual resources, charges to appropriations, and ending balances in the General Fund; and 4) the variance between the final budget and the actual revenues and expenditures.

Proprietary Funds

The City of La Crosse maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City of La Crosse uses enterprise funds to account for its Airport, Parking, La Crosse Center, Sanitary Sewer Utility, Sanitary Sewer District, Stormwater Utility, and Water Utility. These funds are the same as those functions shown in the business-type activities in the Statement of Net Assets and the Statement of Activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City of La Crosse's various functions. The City of La Crosse uses internal service funds to account for its Liability Self-Insurance program, its Worker's Comp Self-Insurance program, its Stockroom, its Employee's Health Self-Insurance program, and its Health Care Cost Containment program. Because these services predominately benefit government rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Airport, Parking Utility, La Crosse Center, Sanitary Sewer Utility, Sanitary Sewer District, Storm Water Utility, and Water Utility, which are considered to be major funds of the City of La Crosse. Conversely, the internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Fiduciary Funds

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of La Crosse's programs. The agency funds maintained by the City are primarily the tax collection fund which records the tax roll and tax collections for other taxing jurisdictions and various other trust funds. The accounting used for fiduciary funds is much like that used for governmental funds.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report includes certain required supplementary information concerning the City of La Crosse, Wisconsin. Required supplementary information can be found following the notes to the financial statements.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as one of the useful indicators of a government's financial condition. The assets of the City of La Crosse exceeded liabilities by \$556,736,337 as of December 31, 2024. The City's net position increased by \$20,773,275 for the fiscal year ended December 31, 2024. However, the largest portion of the City's net position (81.12%) reflects the City's investment in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt still outstanding that was issued to acquire those items. The City of La Crosse uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of La Crosse's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
ASSETS						
Assets, net of Capital Assets	\$ 199,861	\$ 207,180	\$ 43,216	\$ 38,734	\$ 243,077	\$ 245,914
Capital Assets not Depreciated	64,636	72,064	104,853	105,743	169,489	177,807
Capital Assets, net of Depreciation	301,695	282,564	175,344	164,419	477,039	446,983
TOTAL ASSETS	\$ 566,192	\$ 561,808	\$ 323,413	\$ 308,896	\$ 889,605	\$ 870,704
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	39,958	59,325	3,616	4,871	43,574	64,196
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 606,150	\$ 621,133	\$ 327,029	\$ 313,767	\$ 933,179	\$ 934,900
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND						
LIABILITIES						
TOTAL LIABILITIES	\$ 196,643	\$ 216,994	\$ 86,945	\$ 80,485	\$ 283,588	\$ 297,479
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Tax Roll	\$ 58,139	\$ 56,089	\$ 2,260	\$ 2,646	\$ 60,399	\$ 58,735
Wisconsin Retirement System Pension/OPEB	29,593	39,166	2,863	3,556	32,456	42,722
TOTAL DEFERRED INFLOWS OF RESOURCE	\$ 87,732	\$ 95,255	\$ 5,123	\$ 6,202	\$ 92,855	\$ 101,457
NET POSITION						
Net Investment in Capital Assets	\$ 251,115	\$ 249,846	\$ 200,529	\$ 202,069	\$ 451,644	\$ 451,915
Restricted For:						
Special Revenue	1,320	1,060	-	-	1,320	1,060
Debt Service	18,145	17,527	-	-	18,145	17,527
Capital Projects	36,355	37,333	10,547	4,254	46,902	41,587
Other Activities	-	-	-	-	-	-
Unrestricted	14,840	3,118	23,885	20,756	38,725	23,874
TOTAL NET POSITION	\$ 321,775	\$ 308,884	\$ 234,961	\$ 227,079	\$ 556,736	\$ 535,963

An additional portion of the City's net position of \$66,366,470 (11.92%) represents resources that are subject to external restrictions on how they may be used.

The City's total net position increased \$20,773,275 during the year. This increase was comprised of an increase in governmental type activities of \$12,890,755 and an increase in the business type activities of \$7,882,520 during the year. This change is generally due to the application of GASB Statement 75, Other post-employment benefits and the increased investment in capital assets.

Governmental Activities

Governmental activities increased the City of La Crosse's net position by \$12,890,755. Key elements of this increase are:

- Net Investment in Capital Assets increased by over \$1,250,000 due to increased investment in capital assets.
- Departments were required to keep 2024 budgets at 2023 levels unless increases were justified and approved by the Council.
- Actual expenditures for 2024 increased over \$3,000,000 compared to 2023, while the revenue was over \$6,138,000 higher when compared to 2023.
- Property Tax revenue increased over \$6,326,000 in 2024 compared to 2023.
- State Shared revenue increased over \$3,049,000 in 2024 compared to 2023.
- Grants and Contributions increased over \$3,348,000 in 2024 compared to 2023.

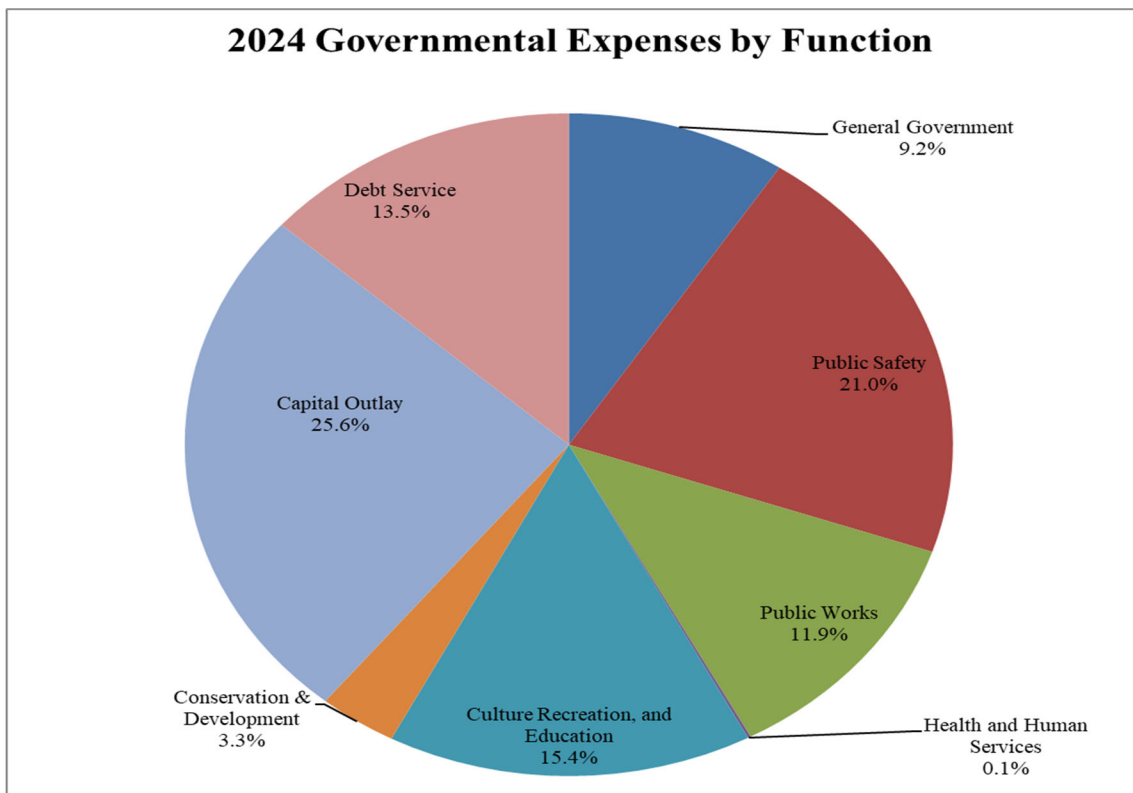
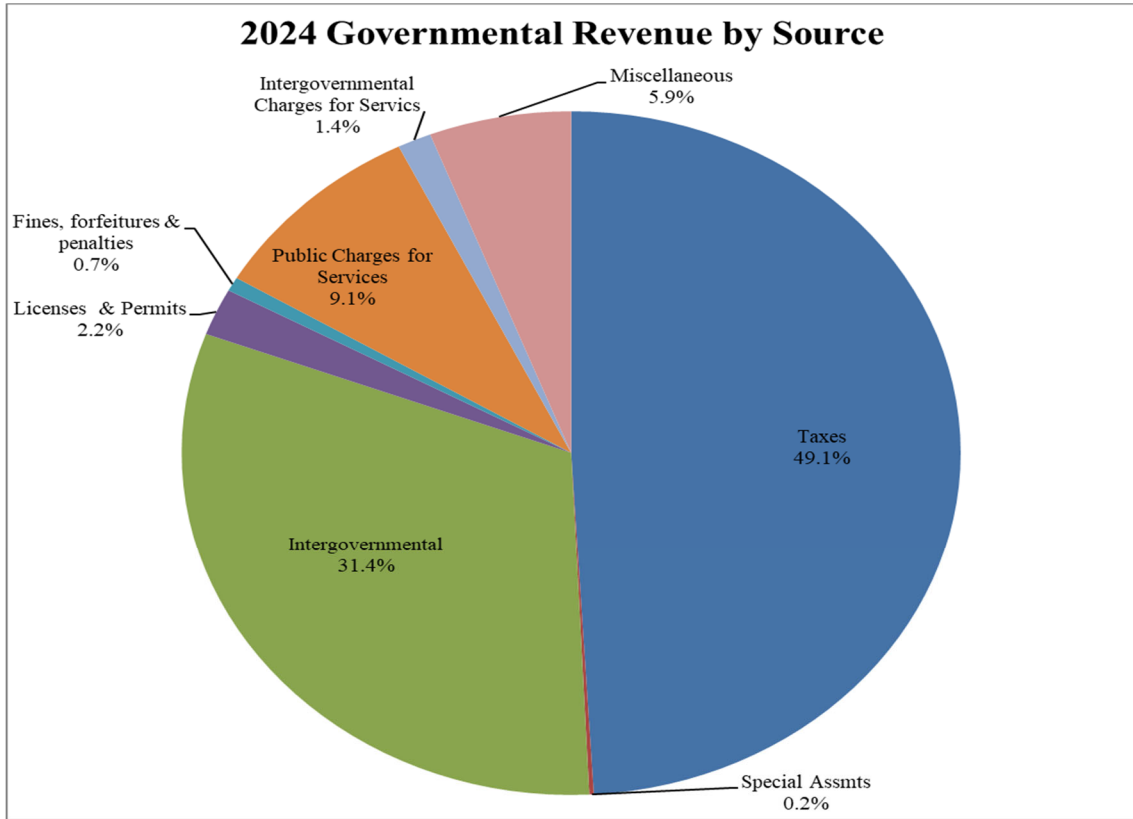
The following table represents the City's summarized operating results and their impact on net assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program Revenues:						
Charges for Services	\$ 19,813	\$ 14,402	\$ 29,401	\$ 26,399	\$ 49,214	\$ 40,801
Grants & Contributions	23,539	20,191	2,551	2,258	26,090	22,449
General Revenues:						
Taxes	59,314	52,988	-	-	59,314	52,988
State Shared Revenue	15,525	12,476	-	-	15,525	12,476
Interest and investment income	5,504	6,517	1,247	1,120	6,751	7,637
Miscellaneous	2,358	1,435	4	11	2,362	1,446
Total Revenues	<u>\$ 126,053</u>	<u>\$ 108,009</u>	<u>\$ 33,203</u>	<u>\$ 29,788</u>	<u>\$ 159,256</u>	<u>\$ 137,797</u>
Expenses:						
General Government	\$ 16,497	\$ 14,040	\$ -	\$ -	\$ 16,497	\$ 14,040
Public Safety	29,851	31,667	-	-	29,851	31,667
Public Works	23,395	26,046	-	-	23,395	26,046
Health and Human Services	170	166	-	-	170	166
Culture, Recreation and Education	24,425	21,903	-	-	24,425	21,903
Conservation & Development	13,360	4,181	-	-	13,360	4,181
Principal, Interest & Fiscal Charges	3,277	2,924	-	-	3,277	2,924
Airport	-	-	4,742	4,978	4,742	4,978
Parking	-	-	3,619	3,734	3,619	3,734
Water	-	-	4,913	4,587	4,913	4,587
Sanitary Sewer	-	-	9,665	8,450	9,665	8,450
Storm Water	-	-	2,319	1,682	2,319	1,682
Other Business-type Activities	-	-	94	85	94	85
Total Expenses	<u>\$ 110,975</u>	<u>\$ 100,927</u>	<u>\$ 25,352</u>	<u>\$ 23,516</u>	<u>\$ 136,327</u>	<u>\$ 124,443</u>
Change in Net Position before Transfers	\$ 15,078	\$ 7,082	\$ 7,851	\$ 6,272	\$ 22,929	\$ 13,354
Transfers	(103)	(178)	103	178	-	-
Change in Net Position	<u>\$ 14,975</u>	<u>\$ 6,904</u>	<u>\$ 7,954</u>	<u>\$ 6,450</u>	<u>\$ 22,929</u>	<u>\$ 13,354</u>
Net Position, beginning of year	308,884	301,980	227,080	220,630	535,964	522,610
Prior Period Adjustment	(2,085)	-	(72)	-	(2,157)	-
Equity Transfers	-	-	-	-	-	-
Net Position, end of year	<u>\$ 321,774</u>	<u>\$ 308,884</u>	<u>\$ 234,962</u>	<u>\$ 227,080</u>	<u>\$ 556,736</u>	<u>\$ 535,964</u>

Governmental Activities expenditures were higher for 2024 compared to 2023 by over \$10,000,000, partial due to salary increases, and mainly due to increased development expenditures within our TID districts.

The following two charts represent revenues by source and expenses by function for the City's Governmental Activities for 2024.



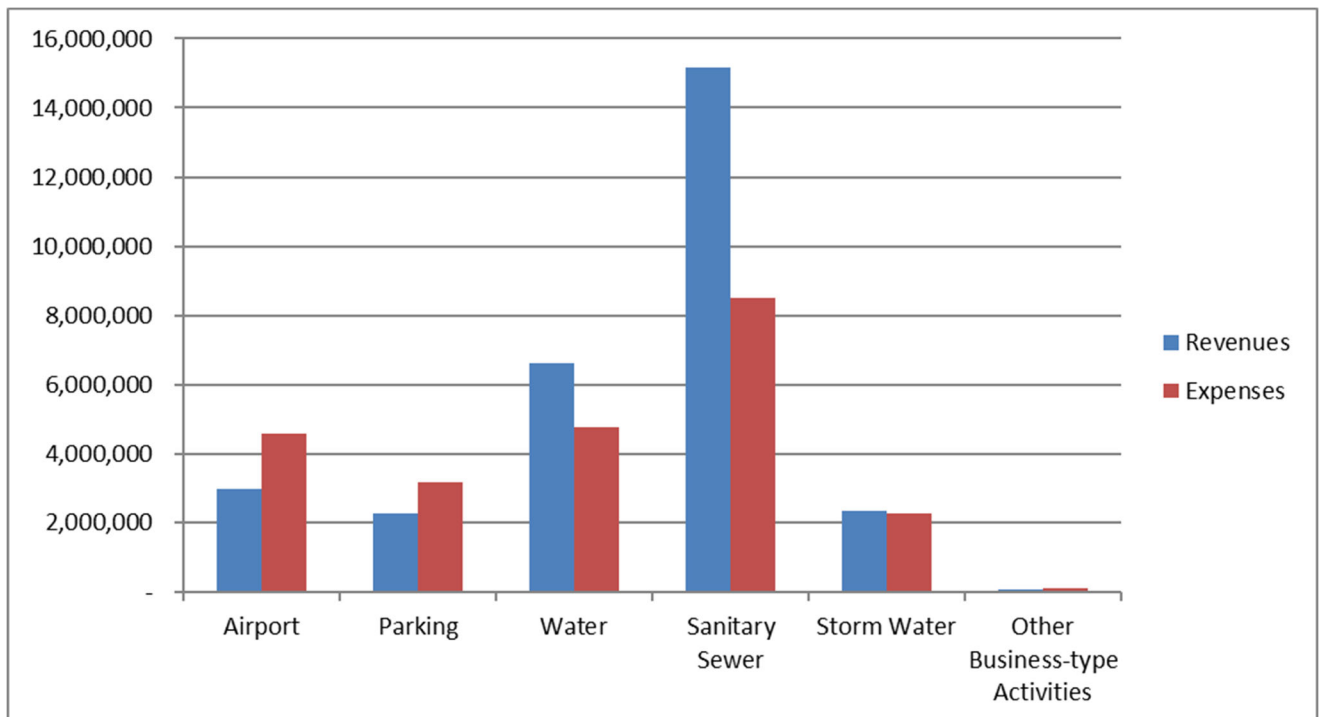
Business-type Activities

Business-type activities increased the City's net position by \$7,882,520. The major contributing factors to this increase for the business-type activities are as follows:

- An increase in net investment in capital assets due to finalizing several large projects.
- Revenue was more than expenses among all activities by more than \$3,400,000.
- The Water Utility is self-supporting, operating on revenues from the sales of water and from private and public fire protection. The current water rate is designed to provide a 4.0% return on the rate base. The Common Council requires future water rates be reviewed every two years with the next review scheduled to take place in 2025.
- The current Sanitary Sewer Utility and Storm Water Utility rates are designed to meet cash requirements, be consistent with existing rate design structure to maintain equitability between different sizes and classes of customers, fund capital projects, and meet debt coverage requirements.

The following chart represents the operating revenues and expenses for 2024 for the City's Business-Type Activities.

City of La Crosse, Wisconsin – 2024 Business-Type Activities Expense & Revenue



Financial Analysis of the Governmental Funds

As noted earlier, the City of La Crosse, Wisconsin uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. The remaining fund balance is designated as either nonspendable, restricted, or committed to indicate that it is not available for new spending because it has already been committed for other items.

As of December 31, 2024, the City of La Crosse's governmental funds reported combined ending fund balances of \$94,503,011. Of this amount, \$25,680,482 is attributable to the General Fund balance and is designated as follows: \$1,166,975 or approximately 4.54% is designated as Nonspendable; \$24,513,507 or approximately 95.46% is designated as Unassigned.

This Unassigned fund balance represents approximately 38.76% of total general fund expenditures for 2024. The total general fund balance increased by \$4,534,991 in fiscal year 2024. Actual expenditures failed to meet final amended budgeted expenditures by approximately (\$426,340) (-0.59%). Actual revenue sources exceeded the final amended budgeted revenues in the general fund by \$4,906,470 (6.78%).

The actual revenues were higher than budgeted primarily due to:

- There was a gain in FMV of investments of \$893,228.
- Sale of land of \$590,557.
- Investment earnings exceeded expectation by \$1,123,534.

The major budget variances in the expenditure category are:

- Public Safety overspent its budget by \$30,121.
- Public Works underspent its budget by \$192,846.
- General Government overspent its collective departmental budgets by \$426,340.
- Culture, recreation, and education exceeded its collective budget by \$124,275.

Proprietary Funds

The City of La Crosse, Wisconsin's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The City of La Crosse, Wisconsin's Net Position Business-type Funds (in thousands of dollars)

	Net Position		Change in Net Position	
	2024	2023	2024	2023
Airport	\$ 78,125	\$ 76,901	\$ 1,224	\$ 778
Parking	33,775	33,916	(141)	(635)
Water Utility	41,420	40,203	1,217	2,096
Sewer Utility	56,161	50,362	5,799	4,097
Storm Water Utility	23,613	23,397	216	807
Sanitary Sewer District	677	670	7	7
Total	\$ 233,771	\$ 225,449	\$ 8,322	\$ 7,150

General Fund Budgetary Highlights

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

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

Capital Assets and Debt Administration

Capital Assets

The City of La Crosse's net investment in capital assets for its governmental and business-type activities as of December 31, 2024, is \$646,691,000 (net of accumulated depreciation), an increase of \$21,900,074 (3.51%). This investment in capital assets includes land, buildings, building improvements, improvements other than buildings, machinery & equipment, infrastructure, and construction work in progress. The total increase in the City's investment in capital assets for the current fiscal year consisted of a \$11,702,901 (3.30%) increase for governmental activities and a \$10,034,380 (3.71%) increase for business-type activities.

The following capital improvement projects for 2024 are contained and financed in the City's 2024-2028 five-year Capital Improvement Program budget:

- Airport facility and runway upgrades – approximately \$8,110,000.
- Capital Equipment purchases for various departments - approximately \$5,444,218.
- Various Park projects - approximately \$4,180,000. Major projects include flood levee rehabilitation and a new park shelter.
- Sanitary Sewer infrastructure improvement projects - approximately \$5,909,000.
- Storm water improvement projects - approximately \$5,543,000.
- Water improvement projects – approximately \$6,371,000.
- Various street, streetscaping, and infrastructure improvement projects - approximately \$11,968,000. Major projects include the reconstruction of 4 roads (Green Bay St, Jackson St, St. Andrew Street, Onalaska Ave)
- Various Economic Development and Housing projects – approximately \$1,641,700.
- Various City Facilities Improvement projects – approximately \$2,635,000.

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

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Land and Land Improvements	\$ 14,837	\$ 13,344	\$ 7,823	\$ 7,823	\$ 22,660	\$ 21,167
Buildings and Improvements	144,635	135,309	55,050	48,249	199,685	183,558
Machinery and Equipment	86,475	82,069	19,698	18,990	106,173	101,059
Infrastructure/systems	199,674	187,713	194,381	185,537	394,055	373,250
Construction in Progress	49,799	58,720	101,016	101,907	150,815	160,627
Capital assets being amortized	433	433	2	41	435	474
Less: Accumulated Depreciation	(129,360)	(122,959)	(97,772)	(92,385)	(227,132)	(215,344)
Total	\$366,493	\$354,629	\$280,198	\$270,162	\$646,691	\$624,791

Long-term Debt

The City's bond rating is AA by Standard & Poor's. Due to this rating the City is able to borrow at favorable interest rates for capital projects included in its annual capital improvement budget and for other special projects.

At the end of the 2024 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$144,371,390 entirely backed by the full faith and credit of the government. This represents an increase of \$2,577,057 compared to the total general obligation debt outstanding as of the end of fiscal year 2023. This increase is due primarily to scheduled borrowing for equipment and capital projects.

In 2024, the City sold two new debt instruments, a G.O. Promissory Note dated September 5, 2024 and a Sewer Revenue Bond dated May 9, 2024. The G.O. Promissory Note is a 15-year Note for \$18,185,000 at a net interest rate of 3.414%. The Revenue Bond is a 20-year Bond for \$5,805,000 at a net interest rate of 4.003%. Both issuances fund portions of the City's \$51,801,918 annual capital improvement program budget and its various projects: Street and Streetscaping projects, Bridge projects, Storm Sewer projects, Fire projects, Water Projects, Library projects, Park projects, and Miscellaneous Tax Incremental Financing projects. The issues were rated AA by Standard & Poor's.

Wisconsin State Statutes limit the amount of general obligation debt a governmental entity may issue up to 5% of its total equalized valuation. The City of La Crosse has adopted a more stringent debt borrowing policy that states that its outstanding debt will not exceed 75% of the 5% State Statute allowable legal debt margin unless authorized by a 2/3 vote of the City Council. In addition, the City will not borrow a larger amount than is retired in the current year unless overridden by a 2/3 vote of the City Council. The current legal debt limitation for the City of La Crosse is \$281,923,595 and its outstanding debt subject to State statutory limit as of December 31, 2024 is \$144,371,390 or approximately 51.21% of the statutory limit. After calculating the amounts available in the Debt Service Fund of \$19,144,856 which results in a net margin of indebtedness of \$156,697,061.

State Statutory Debt Limit

	2024	2023
State Debt Limit (5% of equalized value)	\$ 281,923,595	\$ 273,066,680
Applicable long-term debt	(144,371,390)	(141,794,333)
Amount available in debt service fund	19,144,856	18,527,201
Margin of Indebtness	156,697,061	149,799,548

City Policy Debt Limit

	2024	2023
City Debt Limit (75% of State Limit)	\$ 211,442,696	\$ 204,800,010
Applicable long-term debt	(144,371,390)	(141,794,333)
Amount available in debt service fund	19,144,856	18,527,201
Margin of Indebtness	86,216,162	81,532,878

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

- The 2024 unadjusted unemployment rate for the La Crosse MSA was 2.8% compared to the State average of 3.0% and compared to the National average of 3.6%.
- Inflationary trends in the region are comparable to national indices.

Requests for Information

This financial report is designed to provide a general overview of the City of La Crosse, Wisconsin's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Director of Finance, 400 La Crosse Street, La Crosse, Wisconsin 54601.

CITY OF LA CROSSE, WISCONSIN

BASIC FINANCIAL STATEMENTS

CITY OF LA CROSSE, WISCONSIN
GOVERNMENT-WIDE FINANCIAL STATEMENTS

CITY OF LA CROSSE, WISCONSIN

STATEMENT OF NET POSITION

DECEMBER 31, 2024

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash and investments	\$ 110,828,635	\$ 20,847,269	\$ 131,675,904	\$ 1,346,873
Receivables				
Taxes	55,648,091	932,545	56,580,636	-
Accounts and other	6,038,616	6,061,850	12,100,466	-
Special assessments	498,863	4,528	503,391	-
Loans	15,926,510	-	15,926,510	300,000
Internal balances	(1,472,325)	1,472,325	-	-
Due from other governments	1,280,051	3,724	1,283,775	-
Inventories	459,350	592,960	1,052,310	-
Prepays	753,298	553,392	1,306,690	-
Leases receivable	3,173,443	2,197,903	5,371,346	-
Restricted assets				
Cash and investments	6,726,109	10,546,677	17,272,786	-
Other assets	-	3,375	3,375	-
Capital assets (net of accumulated depreciation/amortization)				
Capital assets not being depreciated	64,636,411	104,852,742	169,489,153	26,553,620
Capital assets being depreciated	301,424,038	175,342,120	476,766,158	-
SBITA assets being amortized	271,030	1,866	272,896	-
TOTAL ASSETS	566,192,120	323,413,276	889,605,396	28,200,493
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System pension	37,520,562	3,269,540	40,790,102	-
Wisconsin Retirement System LRLIF	1,447,449	243,742	1,691,191	-
OPEB healthcare	990,362	102,495	1,092,857	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	39,958,373	3,615,777	43,574,150	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 606,150,493	\$ 327,029,053	\$ 933,179,546	\$ 28,200,493
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 10,124,697	\$ 2,580,040	\$ 12,704,737	\$ -
Accrued liabilities				
Payroll	2,025,379	257,897	2,283,276	-
Interest	1,221,833	312,165	1,533,998	-
Other	871,051	134	871,185	-
Due to other governments	1,004,725	-	1,004,725	-
Deposit payable	294,166	-	294,166	-
Unearned revenue - other	6,560,371	-	6,560,371	-
Current portion of long-term obligations	20,633,549	5,523,676	26,157,225	-
Noncurrent portion of long-term obligations	153,907,566	78,271,157	232,178,723	6,890,000
TOTAL LIABILITIES	196,643,337	86,945,069	283,588,406	6,890,000
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - tax roll	55,066,669	175,324	55,241,993	-
Leases	3,072,266	2,084,563	5,156,829	-
Wisconsin Retirement System pension	22,191,180	1,933,738	24,124,918	-
Wisconsin Retirement System LRLIF	2,508,080	422,346	2,930,426	-
OPEB healthcare	4,894,131	506,506	5,400,637	-
TOTAL DEFERRED INFLOWS OF RESOURCES	87,732,326	5,122,477	92,854,803	-
NET POSITION				
Net investment in capital assets	251,115,369	200,529,391	451,644,760	19,663,620
Restricted for				
Special revenue	1,319,725	-	1,319,725	-
Debt service	18,144,856	-	18,144,856	-
Capital projects	36,355,212	10,546,677	46,901,889	-
Unrestricted	14,839,668	23,885,439	38,725,107	1,646,873
TOTAL NET POSITION	321,774,830	234,961,507	556,736,337	21,310,493
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 606,150,493	\$ 327,029,053	\$ 933,179,546	\$ 28,200,493

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

		PROGRAM REVENUE			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			
FUNCTIONS/PROGRAMS	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	COMPONENT UNIT
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	\$ 16,497,453	\$ 5,075,007	\$ 7,559,452	\$ -	\$ (3,862,994)		\$ (3,862,994)	
Public safety	29,850,983	1,456,607	2,287,320	-	(26,107,056)		(26,107,056)	
Public works	23,395,112	1,171,672	10,922,279	-	(11,301,161)		(11,301,161)	
Health and human services	170,110	-	-	-	(170,110)		(170,110)	
Culture, recreation and education	24,424,719	10,274,865	1,090,000	-	(13,059,854)		(13,059,854)	
Conservation and development	13,359,713	1,835,286	1,680,223	-	(9,844,204)		(9,844,204)	
Interest and fiscal charges	3,276,561	-	-	-	(3,276,561)		(3,276,561)	
TOTAL GOVERNMENTAL ACTIVITIES	110,974,651	19,813,437	23,539,274	-	(67,621,940)		(67,621,940)	
BUSINESS-TYPE ACTIVITIES								
Airport	4,742,256	2,968,191	-	2,550,859		\$ 776,794	776,794	
Parking	3,618,829	2,246,355	-	-		(1,372,474)	(1,372,474)	
Water	4,913,494	6,685,476	-	-		1,771,982	1,771,982	
Sewer	9,665,453	15,077,379	-	-		5,411,926	5,411,926	
Storm	2,318,592	2,335,953	-	-		17,361	17,361	
Sanitary Sewer District	93,551	87,959	-	-		(5,592)	(5,592)	
TOTAL BUSINESS-TYPE ACTIVITIES	25,352,175	29,401,313	-	2,550,859		6,599,997	6,599,997	
TOTAL PRIMARY GOVERNMENT	\$ 136,326,826	\$ 49,214,750	\$ 23,539,274	\$ 2,550,859	(67,621,940)	6,599,997	(61,021,943)	
COMPONENT UNIT								
Redevelopment Authority	\$ 3,698,431	\$ -	\$ 9,037,465	\$ -				\$ 5,339,034
GENERAL REVENUE								
Taxes								
Property taxes					53,901,016	-	53,901,016	-
Other taxes					5,413,196	-	5,413,196	-
Intergovernmental revenues not restricted to specific programs					15,524,564	-	15,524,564	-
Interest and investment income					5,504,246	1,246,922	6,751,168	17,361
Miscellaneous					2,358,363	4,066	2,362,429	95,500
TRANSFERS					(103,146)	103,146	-	-
TOTAL GENERAL REVENUE AND TRANSFERS					82,598,239	1,354,134	83,952,373	112,861
CHANGE IN NET POSITION					14,976,299	7,954,131	22,930,430	5,451,895
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED					308,884,075	227,078,987	535,963,062	15,858,598
CHANGE IN ACCOUNTING PRINCIPLE					(2,085,544)	(71,611)	(2,157,155)	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED					306,798,531	227,007,376	533,805,907	15,858,598
NET POSITION - END OF YEAR					\$ 321,774,830	\$ 234,961,507	\$ 556,736,337	\$ 21,310,493

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
FUND FINANCIAL STATEMENTS

CITY OF LA CROSSE, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	GENERAL FUND	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash and investments	\$ 26,151,861	\$ 1,267,212	\$ 18,084,067	\$ 58,323,111	\$ 103,826,251
Receivables					
Taxes	41,950,258	-	-	13,697,833	55,648,091
Accounts and other	1,024,202	2,666,897	332,623	1,185,083	5,208,805
Special assessments	-	-	-	498,863	498,863
Loan	-	10,262,387	1,675,000	3,989,123	15,926,510
Due from other funds	974,464	-	-	-	974,464
Due from other governments	4,765	106,063	-	1,158,554	1,269,382
Inventories	-	-	-	257,139	257,139
Prepays	120,826	-	-	605,994	726,820
Leases receivable	188,162	-	-	2,985,281	3,173,443
Advances to other funds	678,277	-	1,000,000	147,802	1,826,079
TOTAL ASSETS	\$ 71,092,815	\$ 14,302,559	\$ 21,091,690	\$ 82,848,783	\$ 189,335,847
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable	\$ 1,460,845	\$ 84,793	\$ 2,211	\$ 2,132,587	\$ 3,680,436
Accrued expenses					
Payroll	1,785,946	-	-	213,071	1,999,017
Interest	139	-	-	5,853	5,992
Other	140,594	-	-	-	140,594
Due to other governments	210	-	-	1,004,515	1,004,725
Deposit payable	222,770	7,190	-	64,206	294,166
Unearned revenue - other	39,682	12,894,834	1,944,623	11,167,733	26,046,872
Advances from other funds	-	250,000	-	2,799,171	3,049,171
TOTAL LIABILITIES	<u>3,650,186</u>	<u>13,236,817</u>	<u>1,946,834</u>	<u>17,387,136</u>	<u>36,220,973</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - tax roll	41,582,386	-	-	13,484,283	55,066,669
Unavailable revenue - special assessments	-	-	-	472,928	472,928
Leases	179,761	-	-	2,892,505	3,072,266
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>41,762,147</u>	<u>-</u>	<u>-</u>	<u>16,849,716</u>	<u>58,611,863</u>
FUND BALANCES					
Nonspendable	1,166,975	-	1,000,000	1,010,935	3,177,910
Restricted	-	1,065,742	18,144,856	36,609,195	55,819,793
Committed	-	-	-	11,472,152	11,472,152
Unassigned	24,513,507	-	-	(480,351)	24,033,156
TOTAL FUND BALANCES	<u>25,680,482</u>	<u>1,065,742</u>	<u>19,144,856</u>	<u>48,611,931</u>	<u>94,503,011</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 71,092,815	\$ 14,302,559	\$ 21,091,690	\$ 82,848,783	\$ 189,335,847

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2024

Fund balances - total governmental funds	\$	94,503,011
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:

Governmental capital asset	\$ 496,127,051	
Governmental accumulated depreciation and amortization	<u>(129,795,572)</u>	366,331,479

Some revenue is unearned in the funds because it is not available to pay current period's expenditures:

Special assessments to be collected after year end		20,003,738
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Wisconsin Retirement System asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements.

14,268,751

Other post employment benefits deferred outflows of resources and deferred inflows of resources are not current financial resources and are not reported in fund statements.

(3,903,769)

The assets, liabilities and net position of the internal service fund are included with governmental activities on the statement of net position.

Adjustment to reflect the consolidation to business-type activities		6,328,576
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Long term liabilities, including bonds and notes payable, are not due in the current period and therefore are not reported in the fund statements. Long term liabilities reported in the statement of net position that are not reported in the funds balance sheet are:

General obligation debt	\$ (130,381,585)	
Premium	(5,453,531)	
Accrued interest	(1,215,841)	
Vested employee benefits	(4,624,423)	
Wisconsin Retirement System pension and OPEB liability	(8,201,092)	
Net OPEB liability	<u>(25,880,484)</u>	<u>(175,756,956)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 321,774,830

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE						
Taxes	\$ 42,565,441	\$ -	\$ -	\$ 1,743,124	\$ 15,005,647	\$ 59,314,212
Special assessment	-	-	-	-	222,984	222,984
Intergovernmental	22,797,242	-	1,163,285	-	13,992,307	37,952,834
Licenses and permits	1,944,819	-	-	-	753,096	2,697,915
Fines, forfeits, and penalties	811	-	-	-	800,547	801,358
Public charges for services	2,582,397	-	1,025,393	-	7,451,537	11,059,327
Intergovernmental charges for services	1,218,657	-	-	-	475,236	1,693,893
Miscellaneous	2,475,293	-	37,723	1,340,604	3,273,894	7,127,514
Change in fair value of investments	462,361	-	-	-	45,000	507,361
TOTAL REVENUE	74,047,021	-	2,226,401	3,083,728	42,020,248	121,377,398
EXPENDITURES						
Current						
General government	9,825,588	-	-	71,951	3,054,935	12,952,474
Public safety	28,314,119	-	-	-	1,137,253	29,451,372
Public works	9,656,086	-	-	-	7,051,854	16,707,940
Health and human services	-	-	-	-	170,110	170,110
Culture, recreation, and education	14,310,005	-	-	-	7,239,703	21,549,708
Conservation and development	369,259	-	2,000,588	-	2,241,328	4,611,175
Debt service						
Principal	353,887	-	-	12,371,039	2,607,351	15,332,277
Interest	402	-	-	3,136,443	213,152	3,349,997
Other	-	-	-	178,019	-	178,019
Capital outlay	411,944	-	-	-	35,515,875	35,927,819
TOTAL EXPENDITURES	63,241,290	-	2,000,588	15,757,452	59,231,561	140,230,891
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	10,805,731	-	225,813	(12,673,724)	(17,211,313)	(18,853,493)
OTHER FINANCING SOURCES (USES)						
Transfers in	2,559,642	-	47,468	11,233,107	12,437,058	26,277,275
Transfers (out)	(9,507,310)	-	-	-	(16,873,111)	(26,380,421)
Sale of capital assets	631,066	-	11,425	102,228	588,589	1,333,308
Lease proceeds	-	-	-	-	30,595	30,595
Issuance of long-term debt	-	-	-	84,353	18,907,261	18,991,614
Subscription-based IT arrangements	45,862	-	-	-	-	45,862
Premium on long-term debt	-	-	-	1,871,691	-	1,871,691
TOTAL OTHER FINANCING SOURCES (USES)	(6,270,740)	-	58,893	13,291,379	15,090,392	22,169,924
NET CHANGE IN FUND BALANCE	4,534,991	-	284,706	617,655	(2,120,921)	3,316,431
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED	21,145,491	279,349	781,036	18,527,201	50,453,503	91,186,580
CHANGE WITHIN THE REPORTING ENTITY	-	(279,349)	-	-	279,349	-
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	21,145,491	-	781,036	18,527,201	50,732,852	91,186,580
FUND BALANCE - END OF YEAR	\$ 25,680,482	\$ -	\$ 1,065,742	\$ 19,144,856	\$ 48,611,931	\$ 94,503,011

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
RECONCILIATION OF STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2024

Net change in fund balances - total governmental funds		\$ 3,316,431
<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	\$ 35,927,819	
Less noncapitalized outlay	(13,936,634)	
Depreciation and amortization expense reported in the statement of activities	(9,562,893)	
Less cost of capital assets disposed	<u>(725,392)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		11,702,900
The proceeds from long-term obligations are reported in the governmental funds as a source of financing. In the statement of net position however, long-term obligations are not reported as a financing source, but rather constitute a long-term liability.		
		(19,068,071)
Certain employee benefits are reported in the governmental funds when amounts are paid. The statement of activities reports the value of benefits earned during the year.		
This year the accrual of these benefits increased by:		(381,556)
Certain revenue is unavailable in the governmental funds because it is not available to pay current period expenditures. In the statement of activities these are recorded as revenue in the current year:		
		3,343,390
Wisconsin Retirement System pension asset, deferred outflows of resources, and deferred inflows of resources changes:		
		1,272,441
Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes:		
		(301,315)
Other post-employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes:		
		3,852,327
Repayment of principal on long-term debt is reported in the governmental funds as an expenditure, but is reported as a reduction in long-term debt in the statement of net position and does not affect the statement of activities.		
The amount of long-term debt principal payments in the current year is:		15,332,277
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:		(1,443,921)
Net change due to internal services funds incorporated into the statement of activities:	\$ (2,912,001)	
Transfers from business-type funds for internal service fund activity:	<u>439,712</u>	(2,472,289)
In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.		
The amount of interest and other debt costs paid during the current period	\$ 1,215,841	
The amount of interest and other debt costs accrued during the current period	<u>(1,392,156)</u>	
Interest paid is less than interest accrued by:		<u>(176,315)</u>
CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES		<u>\$ 14,976,299</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	INTERNAL SERVICE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES							
ASSETS							
CURRENT ASSETS							
Cash and investments	\$ 7,819,035	\$ 2,479,426	\$ 4,817,417	\$ 5,416,113	\$ -	\$ 315,278	\$ 20,847,269
Accounts receivable							
Customer	160,413	1,074,842	2,876,815	1,328,337	417,797	70,314	5,928,518
Other	-	9,412	49,944	57,747	16,229	-	133,332
Taxes	-	175,324	370,819	280,361	106,041	-	932,545
Due from other governments	-	7	3,096	621	-	-	3,724
Inventories	17,216	-	6	575,738	-	-	592,960
Prepays	523,632	558	5,403	20,852	2,947	-	553,392
Restricted cash							
Cash	800,835	-	9,611,104	134,738	-	-	10,546,677
TOTAL CURRENT ASSETS	<u>9,321,131</u>	<u>3,739,569</u>	<u>17,734,604</u>	<u>7,814,507</u>	<u>543,014</u>	<u>385,592</u>	<u>39,538,417</u>
NONCURRENT ASSETS							
Capital assets (net of accumulated depreciation/amortization)							
Capital assets not being depreciated	24,971,681	3,807,212	68,862,810	4,213,842	2,997,197	-	104,852,742
Capital assets being depreciated	46,171,138	38,150,636	37,128,391	33,237,291	20,363,296	291,368	175,342,120
SBITA assets being amortized	-	-	622	622	622	-	1,866
NET CAPITAL ASSETS	<u>71,142,819</u>	<u>41,957,848</u>	<u>105,991,823</u>	<u>37,451,755</u>	<u>23,361,115</u>	<u>291,368</u>	<u>280,196,728</u>
Other assets							
Special assessments receivable	-	-	-	4,528	-	-	4,528
Other property	-	-	-	3,375	-	-	3,375
Leases receivable	2,197,903	-	-	-	-	-	2,197,903
Advances to other funds	-	1,000,000	20,728	202,364	-	-	1,223,092
TOTAL OTHER ASSETS	<u>2,197,903</u>	<u>1,000,000</u>	<u>20,728</u>	<u>210,267</u>	<u>-</u>	<u>-</u>	<u>3,428,898</u>
TOTAL NONCURRENT ASSETS	<u>73,340,722</u>	<u>42,957,848</u>	<u>106,012,551</u>	<u>37,662,022</u>	<u>23,361,115</u>	<u>291,368</u>	<u>283,625,626</u>
TOTAL ASSETS	<u>82,661,853</u>	<u>46,697,417</u>	<u>123,747,155</u>	<u>45,476,529</u>	<u>23,904,129</u>	<u>676,960</u>	<u>323,164,043</u>
DEFERRED OUTFLOWS OF RESOURCES							
Wisconsin Retirement System pension	593,377	429,195	781,857	1,057,518	407,593	-	3,269,540
Wisconsin Retirement System LRLIF	-	35,135	63,567	107,852	37,188	-	243,742
OPEB healthcare	8,344	18,508	16,087	59,556	-	-	102,495
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>601,721</u>	<u>482,838</u>	<u>861,511</u>	<u>1,224,926</u>	<u>444,781</u>	<u>-</u>	<u>3,615,777</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 83,263,574</u>	<u>\$ 47,180,255</u>	<u>\$ 124,608,666</u>	<u>\$ 46,701,455</u>	<u>\$ 24,348,910</u>	<u>\$ 676,960</u>	<u>\$ 326,779,820</u>
							<u>\$ 14,947,662</u>

(Continued on page 28)

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS - Continued
DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>								
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	\$ 129,337	\$ 28,304	\$ 1,600,226	\$ 603,862	\$ 218,309	\$ 2	\$ 2,580,040	\$ 6,444,261
Accrued liabilities								
Payroll	49,146	37,056	76,160	73,365	22,170	-	257,897	26,362
Interest	21,093	92,708	198,364	-	-	-	312,165	-
Other	-	-	-	-	-	134	134	730,457
Due to other funds	-	-	-	900,886	40,714	-	941,600	32,864
Unearned revenue - other	-	-	-	-	-	-	-	44,309
Current portion of long-term obligations	380,793	948,085	3,615,789	579,009	-	-	5,523,676	-
TOTAL CURRENT LIABILITIES	580,369	1,106,153	5,490,539	2,157,122	281,193	136	9,615,512	7,278,253
NONCURRENT LIABILITIES								
Long-term obligations	2,081,726	11,718,020	62,304,836	2,017,473	149,102	-	78,271,157	-
Advances from other funds	-	-	-	-	-	-	-	150,000
TOTAL NONCURRENT LIABILITIES	2,081,726	11,718,020	62,304,836	2,017,473	149,102	-	78,271,157	150,000
TOTAL LIABILITIES	2,662,095	12,824,173	67,795,375	4,174,595	430,295	136	87,886,669	7,428,253
DEFERRED INFLOWS OF RESOURCES								
Unavailable revenue - tax roll	-	175,324	-	-	-	-	175,324	-
Leases	2,084,563	-	-	-	-	-	2,084,563	-
Wisconsin Retirement System pension	350,947	253,843	462,422	625,459	241,067	-	1,933,738	-
Wisconsin Retirement System LRLIF	-	60,881	110,146	186,881	64,438	-	422,346	-
OPEB healthcare	41,235	91,461	79,498	294,312	-	-	506,506	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,476,745	581,509	652,066	1,106,652	305,505	-	5,122,477	-
NET POSITION								
Net investment in capital assets	69,010,953	29,950,061	40,934,525	36,981,369	23,361,115	291,368	200,529,391	-
Restricted for other	800,835	-	9,611,104	134,738	-	-	10,546,677	47,012
Unrestricted	8,312,946	3,824,512	5,615,596	4,304,101	251,995	385,456	22,694,606	7,472,397
TOTAL NET POSITION	78,124,734	33,774,573	56,161,225	41,420,208	23,613,110	676,824	233,770,674	7,519,409
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 83,263,574	\$ 47,180,255	\$ 124,608,666	\$ 46,701,455	\$ 24,348,910	\$ 676,960	\$ 326,779,820	\$ 14,947,662
Net position - total enterprise funds							\$ 233,770,674	
Adjustment to reflect the consolidation of internal service activities related to enterprise funds							1,190,833	
NET POSITION OF BUSINESS-TYPE ACTIVITIES							\$ 234,961,507	

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	ACTIVITIES	
						TOTALS	INTERNAL SERVICE	
OPERATING REVENUE								
Charges for services	\$ 2,921,996	\$ 2,240,788	\$ 15,010,064	\$ 6,300,468	\$ 2,317,744	\$ 87,959	\$ 28,879,019	\$ -
Interdepartmental sales	-	-	-	-	-	-	-	14,434,410
Forfeited discounts	-	-	-	63,068	-	-	63,068	-
Other revenue	41,579	5,567	137,642	250,737	18,130	-	453,655	1,470,639
TOTAL OPERATING REVENUE	2,963,575	2,246,355	15,147,706	6,614,273	2,335,874	87,959	29,395,742	15,905,049
OPERATING EXPENSES								
Plant and maintenance expenses:								
Salaries and wages	1,286,495	1,024,058	1,997,245	1,389,191	841,616	-	6,538,605	938,585
Power	-	-	-	317,925	-	-	317,925	-
Chemicals	-	-	-	81,371	-	-	81,371	-
Supplies and expenses	312,227	113,185	3,235,692	754,103	405,093	55,809	4,876,109	1,047,836
Repairs and maintenance	391,865	178,919	639,987	195,566	204,112	9,815	1,620,264	-
TOTAL PLANT AND MAINTENANCE EXPENSES	1,990,587	1,316,162	5,872,924	2,738,156	1,450,821	65,624	13,434,274	1,986,421
General expenses:								
Office supplies and other expenses	10,233	11,093	23,604	72,413	4,042	207	121,592	190,270
Outside services employed	441,868	357,005	889,593	336,061	296,091	25,742	2,346,360	60,125
Insurance expense	129,228	89,037	137,736	32,280	11,634	-	399,915	2,602,803
Employee benefits	-	-	-	60,574	-	-	60,574	14,485,076
Miscellaneous general expenses	1,219	11,313	192,601	108,668	50,340	-	364,141	-
Transportation	89,904	32,077	19,069	53	6,239	-	147,342	-
TOTAL GENERAL EXPENSES	672,452	500,525	1,262,603	610,049	368,346	25,949	3,439,924	17,338,274
Depreciation	1,876,367	1,310,604	1,222,556	1,308,273	377,795	1,978	6,097,573	-
Amortization	-	-	13,159	13,159	13,159	-	39,477	-
Taxes	59,660	45,909	129,034	102,672	38,566	-	375,841	-
TOTAL OPERATING EXPENSES	4,599,066	3,173,200	8,500,276	4,772,309	2,248,687	93,551	23,387,089	19,324,695
OPERATING INCOME (LOSS)	(1,635,491)	(926,845)	6,647,430	1,841,964	87,187	(5,592)	6,008,653	(3,419,646)
NONOPERATING REVENUE (EXPENSES)								
Interest income	383,645	140,584	393,886	258,877	57,318	12,612	1,246,922	507,645
Miscellaneous revenue	4,616	-	(70,327)	71,203	79	-	5,571	-
Sale of capital assets	14,640	(5,150)	(3,857)	-	-	-	5,633	-
Interest expense	(79,206)	(401,429)	(1,061,158)	(21,793)	(17)	-	(1,563,603)	-
Amortization	-	36,662	-	-	-	-	36,662	-
TOTAL NONOPERATING REVENUE (EXPENSES)	323,695	(229,333)	(741,456)	308,287	57,380	12,612	(268,815)	507,645
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	(1,311,796)	(1,156,178)	5,905,974	2,150,251	144,567	7,020	5,739,838	(2,912,001)
TRANSFERS IN (OUT)	-	1,023,031	(90,156)	(901,621)	71,892	-	103,146	-
CAPITAL CONTRIBUTIONS	2,550,859	-	-	-	-	-	2,550,859	-
CHANGE IN NET POSITION	1,239,063	(133,147)	5,815,818	1,248,630	216,459	7,020	8,393,843	(2,912,001)
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED	76,900,920	33,916,045	50,362,345	40,202,677	23,396,651	669,804	225,448,442	10,431,410
CHANGE IN ACCOUNTING PRINCIPLE	(15,249)	(8,325)	(16,938)	(31,099)	-	-	(71,611)	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED	76,885,671	33,907,720	50,345,407	40,171,578	23,396,651	669,804	225,376,831	10,431,410
NET POSITION - END OF YEAR	\$ 78,124,734	\$ 33,774,573	\$ 56,161,225	\$ 41,420,208	\$ 23,613,110	\$ 676,824	\$233,770,674	\$ 7,519,409

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2024

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 3,015,198	\$ 2,107,127	\$ 13,411,587	\$ 5,539,238	\$ 2,331,563	\$ 84,199	\$ 26,488,912	\$ 1,440,546
Receipts from municipality	-	(7)	706,771	1,166,980	39,587	-	1,913,331	14,475,528
Payments to suppliers for goods and services	(1,549,210)	(849,105)	(6,372,470)	(6,530,714)	(2,538,134)	(91,571)	(17,931,204)	(4,495,378)
Payments for employees wages and benefits	(1,452,807)	(1,093,603)	(2,123,584)	(1,783,121)	(875,949)	-	(7,329,064)	(15,397,299)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>13,181</u>	<u>164,412</u>	<u>5,622,304</u>	<u>(1,607,617)</u>	<u>(1,042,933)</u>	<u>(7,372)</u>	<u>3,141,975</u>	<u>(3,976,603)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES								
Transfer from (to) governmental funds	-	1,023,031	(90,156)	(901,621)	71,892	-	103,146	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Acquisition of property, plant and equipment	(1,845,791)	(206,058)	(8,880,535)	(375,718)	(1,466,688)	-	(12,774,790)	-
Retirement of long-term debt	(466,737)	(767,887)	(2,756,093)	(188,397)	(13,306)	-	(4,192,420)	-
Issuance of long-term debt	-	143,813	15,583,593	-	-	-	15,727,406	-
Interest paid	(81,844)	(408,229)	(999,447)	(22,136)	(360)	-	(1,512,016)	-
Contributed capital	2,550,859	-	-	-	-	-	2,550,859	-
Advances from other funds, net	-	-	-	-	-	-	-	150,000
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>156,487</u>	<u>(1,238,361)</u>	<u>2,947,518</u>	<u>(586,251)</u>	<u>(1,480,354)</u>	<u>-</u>	<u>(200,961)</u>	<u>150,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	387,430	177,246	393,886	258,877	57,318	12,612	1,287,369	507,645
Advance to other funds, net	-	-	-	-	-	-	-	(150,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>387,430</u>	<u>177,246</u>	<u>393,886</u>	<u>258,877</u>	<u>57,318</u>	<u>12,612</u>	<u>1,287,369</u>	<u>357,645</u>
NET CHANGE IN CASH AN CASH EQUIVALENTS	557,098	126,328	8,873,552	(2,836,612)	(2,394,077)	5,240	4,331,529	(3,468,958)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>8,062,772</u>	<u>2,353,098</u>	<u>5,554,969</u>	<u>8,387,463</u>	<u>2,394,077</u>	<u>310,038</u>	<u>27,062,417</u>	<u>17,197,451</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 8,619,870</u>	<u>\$ 2,479,426</u>	<u>\$ 14,428,521</u>	<u>\$ 5,550,851</u>	<u>\$ -</u>	<u>\$ 315,278</u>	<u>\$ 31,393,946</u>	<u>\$ 13,728,493</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities								
Operating (loss) income	\$ (1,635,491)	\$ (926,845)	\$ 6,647,430	\$ 1,841,964	\$ 87,187	\$ (5,592)	\$ 6,008,653	\$ (3,419,646)
Adjustments to reconcile operating income (loss) to net cash flows from operating activities								
Depreciation	1,876,367	1,310,604	1,235,715	1,321,432	390,954	1,978	6,137,050	-
Changes in assets and liabilities								
Decrease (increase) in assets								
Receivables - customers	51,623	(136,393)	(868,627)	68,072	19,367	(3,760)	(869,718)	(391,731)
Receivables - other	-	(2,835)	(157,625)	(30,369)	(23,678)	-	(214,507)	-
Due from other governments	-	(7)	(3,096)	(621)	-	-	(3,724)	(10,669)
Inventories	(3,674)	-	-	157,408	-	-	153,734	(66,951)
Prepaid expenses	(22,834)	4,915	(1,381)	(6,872)	(2,023)	-	(28,195)	(14,379)
Leases receivable	278,347	-	-	-	-	-	278,347	-
Wisconsin Retirement System pension	(12,917)	(13,943)	(15,871)	(101,645)	(52,712)	-	(197,088)	-
Wisconsin Retirement System LRLIF	(117,944)	16,991	15,938	(17,881)	9,932	-	(92,964)	-
OPEB healthcare	(54,217)	(90,017)	(176,947)	(225,144)	-	-	(546,325)	-
Decrease (increase) in liabilities								
Accounts payable	22,803	(15,482)	(1,103,773)	(4,680,138)	(1,519,994)	2	(7,296,582)	(486,912)
Payroll payable	11,603	12,572	21,816	19,955	8,447	-	74,393	26,362
Other accrued expenses	7,163	4,852	28,725	(8,641)	-	-	32,099	354,459
Due to other funds	-	-	-	54,863	40,714	-	95,577	32,864
Deferred inflows of resources - leases	(387,648)	-	-	-	-	-	(387,648)	-
Due to other governments	-	-	-	-	(1,127)	-	(1,127)	-
Total adjustments	<u>1,648,672</u>	<u>1,091,257</u>	<u>(1,025,126)</u>	<u>(3,449,581)</u>	<u>(1,130,120)</u>	<u>(1,780)</u>	<u>(2,866,678)</u>	<u>(556,957)</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ 13,181</u>	<u>\$ 164,412</u>	<u>\$ 5,622,304</u>	<u>\$ (1,607,617)</u>	<u>\$ (1,042,933)</u>	<u>\$ (7,372)</u>	<u>\$ 3,141,975</u>	<u>\$ (3,976,603)</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR								
Cash and investments	\$ 7,819,035	\$ 2,479,426	\$ 4,817,417	\$ 5,416,113	\$ -	\$ 315,278	\$ 20,847,269	\$ 13,681,481
Restricted cash	800,835	-	9,611,104	134,738	-	-	10,546,677	47,012
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 8,619,870</u>	<u>\$ 2,479,426</u>	<u>\$ 14,428,521</u>	<u>\$ 5,550,851</u>	<u>\$ -</u>	<u>\$ 315,278</u>	<u>\$ 31,393,946</u>	<u>\$ 13,728,493</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2024

<u>ASSETS</u>	<u>CUSTODIAL FUNDS</u>
Cash and investments	\$ 35,543,697
Taxes receivable	17,091,161
Accounts receivable	<u>2,587</u>
TOTAL ASSETS	<u>\$ 52,637,445</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 235,908
Due to other governments	35,205,888
Due to others	<u>121,795</u>
TOTAL LIABILITIES	<u>35,563,591</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>17,091,161</u>
NET POSITION	
Restricted for other governments	<u>(17,307)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 52,637,445</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CHANGES IN NET POSITION
FIDUCIARY FUND
YEAR ENDED DECEMBER 31, 2024

	CUSTODIAL FUNDS
ADDITIONS	
Collections for other governments	<u>\$ 54,377,332</u>
DEDUCTIONS	
Payments to other governments	54,377,332
Payments to others	<u>4</u>
TOTAL DEDUCTIONS	<u>54,377,336</u>
CHANGE IN NET POSITION	(4)
NET POSITION - BEGINNING OF YEAR	<u>(17,303)</u>
NET POSITION - END OF YEAR	<u>\$ (17,307)</u>

The accompanying notes are an integral part of these statements.

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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS
DECEMBER 31, 2024

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 was incorporated under the provisions of Chapter 280, Laws of Wisconsin, 1883. The City operates under a Council-Mayor form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, sanitation, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

The City's basic financial statements include one component unit, as defined in GASB 14 and amended by GASB 39 and GASB 61.

The basis criterion for including a legally separate organization as a component unit is the degree of financial accountability the City has with the organization. A financial benefit or burden relationship needs to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. The following circumstances set forth the City's financial accountability for a legally separate organization:

- a) The City is financially accountable if it appoints a voting majority of the Organization's governing body and (1) it is able to impose its will on that organization, or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.
- b) The City may be financially accountable if an organization is fiscally dependent on the City regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government, or (3) a jointly appointed governing board.

In addition, the primary government may determine, through exercise of management's professional judgment, that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading.

Discretely Presented Component Unit: The Redevelopment Authority of the City of La Crosse carries out blight eliminations, slum clearance, and urban renewal projects. The Authority consists of seven members who service five-year terms, with one member being a common council member. The members must be residents of the City of La Crosse. Members are appointed by the Mayor, subject to approval by four-fifths of the Council. Current audited financial information is included in the City's financial statements. A separate audited financial statement was not issued.

This report includes all of the funds of the City. The reporting entity for the City is based upon criteria established by Governmental Accounting Standards Board. All functions of the City for which it exercises oversight responsibility are included. The oversight responsibility includes, but is not limited to, financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, accountability for fiscal matters and special financing relationships. The report contains the La Crosse Public Library, La Crosse Center, La Crosse Municipal Airport, La Crosse Water Utility, Tax Incremental Districts No. 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, and 21 and other funds and departments which are part of the City.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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"). The Housing Authority is a separate legal entity that administers federal and state funds to improve housing conditions in the City. Although the Governing Board is appointed by the Mayor and approved by the City Council, the City does not have the ability to impose its will on the Housing Authority nor does a financial benefit or burden exist with the Housing Authority. The grantor agencies and Housing Authority Board control the management, budget, and policies of the Housing Authority.

The financial statements also exclude the accounts of the La Crosse Public Schools and Winding Rivers Library System because these entities operate with separate governing boards that are not under the control or oversight of the City.

Basis of Presentation

Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's proprietary funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's water and sewer functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenue reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. The City does not allocate indirect expenses to functions in the statement of activities. Program revenue includes 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenue are reported as general revenue.

Fund Financial Statements

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category -governmental, proprietary, and fiduciary- are presented. The emphasis of fund financial statements is on major governmental and proprietary funds, each displayed in a separate column. All remaining governmental and proprietary funds are aggregated and reported as nonmajor funds. Major individual governmental and proprietary funds are reported as separate columns in the fund financial statements. A fund is considered major if it is the primary operating fund of the City or meets the following criteria:

- a. Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

- 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 Grants Fund - The HUD Grants Fund is used to account for revenue and expenditures of Community Development Block Grant Funds and HOME Partnership program funds.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The City reports the following major proprietary funds:

Municipal Airport - This fund accounts for the operation, maintenance, and construction projects related to the airport.

Parking Utility - This fund is used to account for the operation, maintenance, and construction of the City's parking facilities as well as on-street parking.

Water Utility - All activities necessary to provide water services to residents of the City and outlying areas. Fund activities include administration, billing and collection, operations, maintenance, and financing.

Sewer Utility - This fund is used to account for sewage fees, collected from customers connected to the City's sewer system and for all expenses of operating this system.

Storm Utility - This fund is used to account for storm water fees, collected from consumers based on equivalent run-off units, and for all expenses of operating the system.

Additionally, the City reports the following fund types:

Internal Service Funds - Internal Service Funds are used to account for funds that provide goods and services to other funds and departments within the City. The City has established seven internal service funds that are used to provide liability self-insurance, workers' compensation self-insurance, stockroom services, health self-insurance, Section 125 flex spending, fuel management, and payroll liabilities.

Fiduciary Custodial Fund Types - Custodial Funds are used to account for assets held by the City in a trustee capacity, or as an agent for individual, private organizations, other governments, and/or other funds.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized as soon as it is both measurable and available. Revenue is considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenue to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes are recorded in the year levied as receivables and unavailable revenue. They are recognized as revenue in the succeeding year when services financed by the levy are being provided. Special assessments are recorded as revenue when they become measurable and available as current assets. Sales taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenue of the current fiscal period. Grants are recorded as revenue when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year end). All other revenue items are considered to be measurable and available only when cash is received by the government.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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* revenue and expenses from *nonoperating* items. Operating revenue and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenue of the water and sewer utilities are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses.

Cash and Investments - Cash and investments, as classified in the statement of cash flows, consists of highly liquid investments with an initial maturity of three months or less.

Accounts Receivable - Accounts receivable are recorded at gross amounts. No allowance for uncollectible accounts has been provided since it is believed that the amount of such allowance would not be material. No provision for uncollectible accounts receivable has been made in the accompanying proprietary fund financial statements because the water and sewer utility has the right to place delinquent bills on the tax roll.

Due To/From Advance To/From Other Funds - During the course of operations, transactions occur between individual funds that may result in amounts owed between funds. Short-term interfund loans are reported as due to and from other funds. Long-term interfund loans (noncurrent portion) are reported as advances from and to other funds. In the governmental fund financial statements, advances to other funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation. Eliminations have been made for amounts due to/from and advance to/from within the same fund type on the government-wide statements.

Interfund Transactions - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as transfers, and exchange transactions are recorded as revenue and expenditures or expenses.

Inventory - Inventory is priced at the lower of cost (first-in, first-out) or market. The costs of inventories are recorded as expenditures when consumed rather than when purchased. A nonspendable fund balance has been recognized in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Prepays - 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 in governmental funds for these non-liquid assets to signify a portion of fund balance is not available for other subsequent expenditures.

Restricted Cash and Investments - Restricted cash and investments are restricted assets set aside for longer term goals. The City's restricted cash includes the following:

Airport - Passenger facility charges collections.

Sewer - Resources set aside for repairs and maintenance of the sewer plant as required by the Wisconsin Department of Natural Resources, and bond redemption.

Water - Proceeds from bonds.

Storm - Proceeds from bonds.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

Capital Assets - Capital assets, which include property, plant, equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at estimated acquisition 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.

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

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

Leases - The City is a lessor because it leases capital assets to other entities. The lease receivable is measured using the present value of payments to be received during the lease term. The corresponding deferred inflows of resources are recognized as inflows over the lease term.

Subscription-Based Information Technology Arrangements (SBITA) - The SBITA liability is measured using the present value of payments to be made during the subscription term. The corresponding intangible right-to-use capital asset is amortized over the shorter of the subscription term or the useful life.

Debt Premiums and Discounts - In the government-wide and proprietary fund financial statements, debt premiums and discounts are deferred and amortized over the life of the debt. Long-term debt is reported net of the applicable debt premium or discount.

In the fund financial statements, governmental fund types recognize premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums on debt issuance are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

Compensated Absences - It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and comp pay benefits. Vacation, sick, and compensation pay is accrued when benefits are considered more likely than not to be used or settled at separation in the government-wide and proprietary funds financial statements. Vacation, sick, and compensation 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 - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

Pensions - The fiduciary net position of the Wisconsin Retirement System (WRS) has been determined using the flow of economic resources measurement focus and accrual basis of accounting. This includes for purposes of measuring the following:

- Net Pension Liability (Asset),
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions,
- Pension Expense (Revenue).

Information about the fiduciary net position of the WRS and additions to/deductions from WRS' fiduciary net position have been determined on the same basis as they are reported by the 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.

Other Post-Employment Benefits (OPEB) LRLIF - The fiduciary net position of the Local Retiree Life Insurance Fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring following:

- Net OPEB Liability,
- Deferred Outflows of Resources and Deferred Inflows of Resources Related to Other Post-Employment Benefits, and
- OPEB Expense (Revenue).

Information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIF's fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of member contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) Healthcare - The fiduciary net position of the OPEB healthcare has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB healthcare, OPEB healthcare expense, and information about the fiduciary net position of the OPEB healthcare and additions to/deductions from OPEB healthcare's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Deferred Outflows and Inflows of Resources - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. They are the Wisconsin Retirement System pension, Wisconsin Retirement System Local Retire Life Insurance Fund (LRLIF), and OPEB healthcare and result from changes in their actuarial studies and are amortized over the average of the expected remaining service lives of participants.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. The separate financial statement element represents an acquisition of net position which applies to future periods and so will not be recognized as an inflow of resources (revenue) until then. The City has five items that qualify for reporting in this category: Unavailable revenue, leases, Wisconsin Retirement System pension, LRLIF OPEB, and Healthcare OPEB. The unavailable revenue is from two sources: property taxes and special assessments. The unavailable revenue and leases are deferred and recognized as an inflow in the period the amount becomes available. The Wisconsin Retirement System pension, Wisconsin Retirement System LRLIF, and OPEB healthcare result from changes in their actuarial studies and are amortized over the average expected remaining service lives of participants.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 1 - Summary of Significant Accounting Policies - Continued

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.

Fund Balance Classifications - The City classifies its fund equity as follows:

1. Nonspendable fund balance consists of equity not in a spendable form or is legally or contractually required to be maintained intact.
2. Restricted fund balance consists of equity constrained to specific purposes by their providers, externally imposed by creditors, constitutional provisions or by enabling legislation.
3. Committed fund balance consists of equity constrained to specific purposes by the City itself, using its highest level of decision making authority - City Council policies.
4. Assigned fund balance consists of equity the governing body intends to use for a specific purpose, intent can be expressed by the governing body. The City Council has authorized the Finance Director to assign fund balances through its financial management policy.
5. Unassigned fund balance consists of equity available for any purpose.

When net losses occur, it is the City's policy to record the net loss against committed fund balance, then assigned fund balance, and lastly to unassigned fund balance. The City applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

State and Federal Aids - State general and categorical aids are recognized as revenue in the entitlement year. Federal aids and certain state aids for reimbursable programs are recognized as revenue in the year related program expenditures are incurred. Aids received prior to meeting revenue recognition criteria are recorded as deferred revenue.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events - The City evaluated subsequent events through July 31, 2025, the date which the financial statements were available to be issued.

Changes in Accounting Principle - As discussed in Note 17, the City has implemented GASB Statement No. 100, Accounting Changes and Error Corrections, and GASB Statement No. 101, Compensated Absences, in 2024.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 2 - Cash and Investments

State statutes permit the City and the Component Unit to invest available cash balances, other than debt service funds, in time deposits of authorized depositories, state obligations, U.S. Treasury obligations, U.S. agency issues, repurchase agreements and other investments secured by federal securities, high grade commercial paper, and the local government pooled-investment fund administered by the state investment board. Available balances in the Debt Service Fund may be invested in municipal obligations, obligations of the United States and the local government pooled-investment fund. No significant violations of these restrictions occurred during the year.

As of December 31, 2024, 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	\$ 36,693,648
Government Securities	More than one year	45,848,273
Repurchase Agreements	Less than one year	29,977,195
Corporate Bonds	More than one year	8,805,910
Bond Mutual Funds	Less than one year	1,238,959
Equity Mutual Funds	Less than one year	618,309
TOTAL		<u>\$ 123,182,294</u>

Determining Fair Value - The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets; level 2 inputs are significant other observable inputs; level 3 inputs are significant unobservable inputs. The City has the following recurring fair value measurement:

- 1) State of Wisconsin Local Government Investment Pool fair value is determined by the Pool's investment board based on published market quotations (level 2 inputs).
- 2) Government Securities, Corporate Bonds, and Bond and Equity Mutual Funds are determined based on published market quotations (level 1 inputs).
- 3) Deposits and investments with stated interest rates (saving accounts, CD, REPO) are stated at cost.

Investment Pool Information - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2024, the Pool's fair value was 100 percent of book value.

Income Allocation - Investment income is generally allocated to the fund that owns the investment.

Interest Rate Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to mature or may be tendered for purchase at the option of the holder within not more than seven years of the date acquired. The City has a formal investment policy that would further limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

Credit Risk - State statutes limit investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The City's investment policy does not further limit its investment choices. All investments subject to credit risk had an S&P Rating of A- or higher and a Moody's Rating of A2 or higher as of December 31, 2024. The State of Wisconsin Investment Pool is not rated, however, the investments at all times consist solely of securities and instruments in which municipalities are permitted to invest.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 2 - Cash and Investments - Continued

Custodial Credit Risk - Deposits - Custodial credit is the risk that, in the event of a bank failure, the City's and the Component Unit's deposits may not be returned to it. As of December 31, 2024, \$40,697,016 of the City's and the Component Unit's bank balance of \$55,570,453 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's and the Component Unit's name	<u>\$ 40,697,016</u>
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Custodial Credit Risk - Investments - Custodial credit is the risk that, in the event the failure of the counterparty, the City's investments may not be returned to it. As of December 31, 2024, \$29,977,195 of the City's investments subject to custodial credit risk of \$29,977,195 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name	<u>\$ 29,977,195</u>
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NOTE 3 - Property Taxes

Property taxes attach as an enforceable lien on property in December when the tax roll is certified. Taxes are levied on December 1 and are payable in four installments in January, March, May, and July, or are payable in full on January 31. The Component Unit has outstanding economic development loans. Special assessments, charges, and personal property taxes are payable in full on January 31. The City bills and collects its own property taxes and also taxes for the State, County, Area Technical College, and Area Public Schools until August 12, at which time all uncollected real estate taxes are turned over to the county for collection. Collection of the taxes and remittance of them to the appropriate entities are accounted for in the Property Tax Agency Fund. City property tax revenue is recognized in the year it is levied for and available for use. The 2024 tax roll (levied for 2025) has been set up as a receivable and offset by the amounts due to other governmental units and deferred tax roll revenue for the City's portion. Advance tax collections are offset against the receivable.

NOTE 4 - Rehabilitation Loans

The City has outstanding Urban Development Action Grant (UDAG) and Community Development Block Grant (CDBG) loans receivable with various businesses and homeowners. These loans are originally made from grant proceeds. The Component Unit has outstanding economic development loans. The loan agreements provide for various repayment options, including installment payments and payment in full upon transfer of the property secured by the loans. When the loans are repaid, the funds become the property of the City and are restricted for future rehabilitation loan projects.

The loans activity for the year was as follows:

	BALANCES 1/1/24	ADDITIONS	PAYMENTS, FOREGIVENESS & FORECLOSURES	BALANCES 12/31/24
<u>PRIMARY GOVERNMENT</u>				
Housing Rehabilitation	\$ 13,500	\$ -	\$ (1,500)	\$ 12,000
HOME Program	1,752,297	-	(27,598)	1,724,699
NSP Program	33,300	-	-	33,300
Replacement Housing	3,179,696	959,984	(24,543)	4,115,137
TID #11	67,392	-	-	67,392
TID #14	235,650	-	-	235,650
TID #15	295,292	-	(18,637)	276,655
Economic Development	3,487,547	1,511,127	(191,958)	4,806,716
TID #13	37,607	-	-	37,607
Residential Rehabilitation	4,091,735	264,283	(288,664)	4,067,354
TID #18	-	550,000	-	550,000
TOTAL	<u>\$ 13,194,016</u>	<u>\$ 3,285,394</u>	<u>\$ (552,900)</u>	<u>\$ 15,926,510</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 4 - Rehabilitation Loans - Continued

Interest receivable of \$3,351,751 associated with these loans is included in the Accounts and Other Receivable line of the balance sheet.

<u>COMPONENT UNIT</u>	<u>BALANCE 1/1/24</u>	<u>ADDITIONS</u>	<u>PAYMENTS FORGIVENESS FORECLOSURES</u>	<u>BALANCE 12/31/24</u>
Economic Development	<u>\$ 338,000</u>	<u>\$ -</u>	<u>\$ (38,000)</u>	<u>\$ 300,000</u>

NOTE 5 - Leases Receivable

The City is the lessor in various noncancellable leases of land and buildings. The initial lease receivable is recorded using the rate stated in the lease or the City's incremental borrowing rate at the time of lease inception. The term of the lease includes all optional periods in which the City believes the lessee is reasonably certain to exercise the option. Leases with periodic percentage rent increases or flat rate rent increases that are specified in the lease terms are included in the measurement of the lease receivable. As of December 31, 2024, the City's leases receivable balance of \$5,371,346 was comprised of the following:

GOVERNMENTAL ACTIVITIES

Five building or structure leases for which the City recognized \$209,027 of lease revenue and \$55,809 of interest revenue during the year, at interest rates ranging from 0.47% to 1.17%, with remaining lease terms ranging from 3 to 9 years. \$ 1,961,196

Nine land leases for which the City recognized \$174,713 of lease revenue and \$13,830 of interest revenue during the year, at interest rates ranging from 0.83 % to 1.50%, with remaining lease terms ranging from 5 to 18 years. 1,212,247

TOTAL GOVERNMENTAL ACTIVITIES **\$ 3,173,443**

BUSINESS-TYPE ACTIVITIES

Five building leases for which the City recognized \$281,588 of lease revenue and \$23,032 of interest revenue during the year, at interest rates ranging from 0.21% to 0.77%, with remaining lease terms ranging from 1 to 5 years. \$ 795,933

Two land leases for which the City recognized \$43,658 of lease revenue and \$24,623 of interest revenue during the year, at interest rates ranging from 0.33% to 1.75%, with remaining lease terms ranging from 2 to 35 years. 1,401,970

TOTAL BUSINESS-TYPE ACTIVITIES **\$ 2,197,903**

The leases receivable are expected to be received in subsequent years as follows:

<u>YEARS</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2025	\$ 324,289	\$ 74,277	\$ 242,355	\$ 42,005
2026	256,031	69,250	235,776	36,326
2027	277,558	54,159	232,485	30,475
2028	235,370	58,106	124,509	25,058
2029	222,931	52,931	13,314	23,756
2030-2034	1,071,260	188,983	91,220	114,525
2035-2039	574,887	73,346	139,837	104,523
2040-2044	211,117	9,002	200,458	89,765
2045-2049	-	-	275,600	69,094
2050-2054	-	-	368,276	41,112
2055-2059	-	-	274,073	7,574
	<u>\$ 3,173,443</u>	<u>\$ 580,054</u>	<u>\$ 2,197,903</u>	<u>\$ 584,213</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 6 - Capital Assets

Capital asset activity for the year ended December 31, 2024, was as follows:

GOVERNMENTAL ACTIVITIES

	BALANCES 1/1/24	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES 12/31/24
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,344,119	\$ -	\$ -	\$ 1,492,975	\$ 14,837,094
Construction in progress	58,720,175	21,891,668	-	(30,812,526)	49,799,317
Total capital assets not being depreciated	<u>72,064,294</u>	<u>21,891,668</u>	<u>-</u>	<u>(29,319,551)</u>	<u>64,636,411</u>
<i>Capital assets being depreciated</i>					
Buildings	135,308,886	-	(579,590)	9,905,970	144,635,266
Infrastructure	170,739,506	-	(109,813)	11,985,823	182,615,516
Improvements other than buildings	16,972,794	-	(25,710)	111,306	17,058,390
Machinery and equipment	82,069,087	42,655	(2,953,356)	7,316,452	86,474,838
Total capital assets being depreciated	<u>405,090,273</u>	<u>42,655</u>	<u>(3,668,469)</u>	<u>29,319,551</u>	<u>430,784,010</u>
Less accumulated depreciation for:					
Buildings	23,198,316	1,019,227	(2,219)	-	24,215,324
Infrastructure	65,262,743	4,810,267	(2,106,381)	-	67,966,629
Improvements other than buildings	6,869,406	53,630	-	-	6,923,036
Machinery and equipment	27,628,703	3,460,757	(834,477)	-	30,254,983
Total accumulated depreciation	<u>122,959,168</u>	<u>9,343,881</u>	<u>(2,943,077)</u>	<u>-</u>	<u>129,359,972</u>
Total capital assets being depreciated, net	<u>282,131,105</u>	<u>(9,301,226)</u>	<u>(725,392)</u>	<u>29,319,551</u>	<u>301,424,038</u>
Capital assets being amortized					
SBITA asset	649,768	56,862	-	-	706,630
Less accumulated amortization	(216,589)	(219,011)	-	-	(435,600)
Total capital assets being amortized, net of accumulated amortization	<u>433,179</u>	<u>(162,149)</u>	<u>-</u>	<u>-</u>	<u>271,030</u>
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	<u>\$ 354,628,578</u>	<u>\$ 12,428,293</u>	<u>\$ (725,392)</u>	<u>\$ -</u>	<u>\$ 366,331,479</u>

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

General Government	\$ 3,056,812
Law Enforcement	430,895
Fire Protection	688,011
Transportation/Highway	1,378,504
Transit	819,258
Storm Sewer	60,064
Sanitation	8,128
Library	234,615
La Crosse Center	1,194,852
Parks and Recreation	1,472,742
Total	<u>\$ 9,343,881</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 6 - Capital Assets - Continued

BUSINESS-TYPE ACTIVITIES

	BALANCES 1/1/24	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES 12/31/24
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,836,692	\$ -	\$ -	\$ -	\$ 3,836,692
Construction in progress	101,906,585	12,889,768	-	(13,780,303)	101,016,050
Total capital assets not being depreciated	105,743,277	12,889,768	-	(13,780,303)	104,852,742
<i>Capital assets being depreciated</i>					
Land improvements	3,986,194	-	-	-	3,986,194
Buildings	48,249,142	-	(26,673)	6,827,296	55,049,765
Equipment	18,990,435	772,081	(538,071)	473,123	19,697,568
Infrastructure	185,537,301	2,992,762	(628,920)	6,479,884	194,381,027
Total capital assets being depreciated	256,763,072	3,764,843	(1,193,664)	13,780,303	273,114,554
Less accumulated depreciation for:					
Land improvements	3,368,519	101,356	-	-	3,469,875
Buildings	16,911,379	1,150,094	(34,747)	-	18,026,726
Equipment	12,218,029	799,235	(295,883)	-	12,721,381
Infrastructure	59,887,414	4,276,064	(609,026)	-	63,554,452
Total accumulated depreciation	92,385,341	6,326,749	(939,656)	-	97,772,434
Total capital assets being depreciated, net accumulated depreciation	164,377,731	(2,561,906)	(254,008)	13,780,303	175,342,120
Capital assets being amortized:					
SBITA asset	80,817	-	-	-	80,817
Less accumulated amortization	(39,477)	(39,474)	-	-	(78,951)
Total capital assets being amortized, net of accumulated amortization	41,340	(39,474)	-	-	1,866

BUSINESS-TYPE ACTIVITIES

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION **\$ 270,162,348** **\$ 10,288,388** **\$ (254,008)** **\$ -** **\$ 280,196,728**

Depreciation and amortization expense was charged to functions as follows:

Business-type activities	
Airport	\$ 1,876,367
Parking Utility	1,310,604
Water Utility	1,714,837
Sewer Utility	1,045,168
Storm Utility	377,795
Sanitary Sewer Utility	1,978
	6,326,749
Less: Water Utility joint metering and clearing	(229,176)
TOTAL	\$ 6,097,573

COMPONENT UNIT

	BALANCES 1/1/24	ADDITIONS	RETIREMENTS	BALANCES 12/31/24
<i>Capital assets not being depreciated:</i>				
Land	\$ 9,090,000	\$ -	\$ (2,000,000)	\$ 7,090,000
Construction in progress	11,922,527	9,761,312	(2,220,219)	19,463,620
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	\$ 21,012,527	\$ 9,761,312	\$ (4,220,219)	\$ 26,553,620

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 7 - Long-Term Obligations

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

Summary of Long-Term Obligations

WITHIN YEAR	BALANCES			AMOUNTS BALANCES	DUE
	1/1/24	ADDITIONS	PAYMENTS	12/31/24	ONE
<u>GOVERNMENTAL ACTIVITIES</u>					
Bonds payable	\$ 98,530,815	\$18,185,000	\$ (7,573,122)	\$109,142,693	\$ 9,044,222
Notes payable - direct borrowing	2,184,347	-	(547,253)	1,637,094	462,645
Notes payable - direct placement	19,494,149	-	(5,776,942)	13,717,207	2,701,223
Loan - direct placement	6,005,282	806,614	(1,222,160)	5,589,736	882,700
Leases	-	30,595	(1,917)	28,678	5,852
SBITAs	431,198	45,862	(210,883)	266,177	235,044
Premium	4,009,610	1,871,691	(427,770)	5,453,531	535,244
Net OPEB obligation	30,305,616	-	(4,425,132)	25,880,484	2,142,196
Wisconsin retirement system:					
Net pension liability	14,992,561	-	(10,838,443)	4,154,118	-
Net OPEB liability - LRLIF	3,400,467	646,507	-	4,046,974	-
Employee benefits:					
Vacation pay	1,275,457	73,733	-	1,349,190	1,349,190
Sick pay	2,810,204	276,330	-	3,086,534	3,086,534
Comp pay	157,205	31,494	-	188,699	188,699
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$183,596,911</u>	<u>\$21,967,826</u>	<u>\$ (31,023,622)</u>	<u>\$174,541,115</u>	<u>\$20,633,549</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Bonds payable - Airport	\$ 2,400,000	\$ -	\$ (425,000)	\$ 1,975,000	\$ 215,000
Bonds payable - Parking	11,960,000	-	(680,000)	11,280,000	710,000
Bonds payable - Water Utility	334,185	-	(86,878)	247,307	60,778
Notes payable - Water Utility - direct placement	85,851	-	(28,058)	57,793	28,777
Revenue bonds payable - Sewer Utility	51,965,509	15,198,753	(2,673,734)	64,490,528	3,212,244
Loan - direct placement	799,704	143,813	(218,957)	724,560	460,137
SBITAs	39,919	-	(39,919)	-	-
Premium	547,183	384,840	(39,874)	892,149	59,116
Net OPEB Obligation	3,269,426	-	(590,984)	2,678,442	372,046
Wisconsin retirement system:					
Net pension liability	1,175,936	-	(813,946)	361,990	-
Net OPEB liability - LRLIF	674,291	7,195	-	681,486	-
Employee benefits:					
Vacation pay	143,281	11,698	-	154,979	154,979
Sick pay	203,351	12,529	-	215,880	215,880
Comp pay	26,840	7,879	-	34,719	34,719
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 73,625,476</u>	<u>\$15,766,707</u>	<u>\$ (5,597,350)</u>	<u>\$ 83,794,833</u>	<u>\$ 5,523,676</u>
<u>COMPONENT UNIT</u>					
Revenue bond payable - RDA	<u>\$ 6,890,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,890,000</u>	<u>\$ -</u>

Employee benefits obligations are presented as a net change.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 7 - Long-Term Obligations - Continued

General Obligation Debt

All general obligation debt is secured by the full faith and credit and unlimited taxing powers of the City. The general obligation debt is expected to be repaid with general property taxes, special assessments, proprietary fund revenue, and tax increments (TIF). General obligation debt at December 31, 2024, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/24</u>
Bonds Payable				
GO Bonds Payable A	2012	2.000 - 3.000	2026	\$ 740,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	1,135,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	640,000
GO Bonds Payable A	2017	3.000 - 5.000	2032	3,280,000
GO Bonds Payable B	2017	3.000 - 5.000	2032	1,975,000
GO Bonds Payable D	2017	3.000 - 3.500	2037	11,280,000
GO Bonds Payable A	2018	3.000 - 5.000	2033	2,355,000
GO Bonds Payable A	2019	2.125 - 5.000	2034	4,455,000
GO Bonds Payable A	2020	1.125 - 2.000	2035	4,900,000
GO Bonds Payable C	2020	0.750 - 2.350	2040	29,790,000
GO Refunding Bonds Payable D	2020	0.300 - 1.400	2031	5,055,000
GO Bonds Payable A	2021	1.670 - 4.000	2036	10,565,000
GO Bonds Payable A	2022	3.000 - 4.000	2037	10,225,000
GO Bonds Payable B	2022	3.000 - 4.000	2032	2,250,000
GO Bonds Payable A	2023	4.000	2038	10,925,000
GO Bonds Payable B	2023	4.000	2038	4,890,000
GO Bonds Payable A	2024	5.000	2039	18,185,000
TOTAL BONDS PAYABLE				<u>122,645,000</u>
Notes Payable				
State Trust Fund Loan 2015D - direct borrowing	2015	3.250	2025	40,092
State Trust Fund Loan 2015E - direct borrowing	2015	3.750	2030	375,295
GO Notes Payable A - direct placement	2016	2.000	2026	1,205,000
GO Notes Payable C - direct placement	2017	2.000 - 3.000	2027	545,000
State Trust Fund Loan 2017E - direct borrowing	2017	3.500	2027	275,942
GO Notes Payable B - direct placement	2018	3.000	2028	980,000
GO Notes Payable B - direct placement	2019	2.000 - 5.000	2029	735,000
GO Notes Payable B - direct placement	2020	1.125 - 2.000	2030	2,655,000
State Trust Fund Loan - TID 17	2020	2.500	2025	122,818
GO Anticipation Notes Payable - direct placement	2021	0.950	2026	2,130,000
GO Notes Payable B - direct placement	2021	1.000 - 2.000	2031	3,600,000
GO Notes Payable C - direct placement	2021	2.000 - 5.000	2031	1,925,000
State Trust Fund Loan	2022	2.500	2027	288,742
State Trust Fund Loan A	2022	3.000	2032	534,205
TOTAL NOTES PAYABLE				<u>15,412,094</u>
Loan Payable - direct placement				
Financed purchase - BOA Phase I & Phase II	2019	2.400	2039	4,166,993
Financial purchase - Fleet vehicles	2021	8.340	2026	2,147,303
TOTAL LOANS PAYABLE				<u>6,314,296</u>
TOTAL GENERAL OBLIGATION DEBT				<u>\$ 144,371,390</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 7 - Long-Term Obligations - Continued

General Obligation Debt Limit Calculation

The 2024 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$5,638,471,900. The legal debt limit and margin of indebtedness as of December 31, 2024, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$5,638,471,900)	\$ 281,923,595
Applicable long-term debt	(144,371,390)
Amount available in debt service fund	19,144,856
MARGIN OF INDEBTEDNESS	<u>\$ 156,697,061</u>

SBITA Liability

The City has entered into various subscription agreements for the right to use certain IT software and support services. The agreements are for three-year terms with various monthly and annual payments. The interest rates were calculated using the City's incremental borrowing rate.

Proprietary Fund Debt

Proprietary fund debt is expected to be repaid by fund revenue and is compromised of the following individual issue at December 31, 2024:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/24</u>
Revenue Bond				
Sewer Clean Water Fund	2022	1.576%	2041	\$ 58,685,528
Sewer Revenue Bond	2024	4.000-5.000%	2044	5,805,000
				<u>\$ 64,490,528</u>

Component Unit Debt

Component unit debt is expected to be repaid by revenue of the entity and contributions from the City pursuant the contribution and cooperative agreement. Component unit debt at December 31, 2024, is compromised of the following individual issue:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/24</u>
Taxable Interim Redevelopment Revenue Bond	2021	1.890%	2026	\$ 3,000,000
Taxable Interim Redevelopment Revenue Bond	2022	2.520%	2027	3,890,000
				<u>\$ 6,890,000</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 7 - Long-Term Obligations - Continued

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2024, are:

<u>YEARS</u> <u>INTEREST</u>	<u>BONDS</u>		<u>NOTES PAYABLE</u> <u>DIRECT BORROWING</u> <u>AND PLACEMENT</u>		<u>LOANS</u> <u>DIRECT PLACEMENT</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	
2025	\$ 10,030,000	\$ 3,579,750	\$ 3,192,645	\$ 346,365	\$ 1,584,613	\$ 207,381
2026	10,280,000	3,252,295	4,744,128	247,655	736,004	159,915
2027	9,530,000	2,940,768	2,058,824	162,668	474,302	124,226
2028	9,265,000	2,648,527	1,709,189	105,485	311,590	90,490
2029	9,485,000	2,386,444	1,468,591	64,474	298,323	80,316
2030-2034	45,550,000	7,860,161	2,238,717	48,523	1,442,071	267,642
2035-2039	26,285,000	2,200,992	-	-	1,467,393	83,671
2040-2044	2,220,000	52,170	-	-	-	-
TOTAL	<u>\$122,645,000</u>	<u>\$ 24,921,107</u>	<u>\$ 15,412,094</u>	<u>\$ 975,170</u>	<u>\$ 6,314,296</u>	<u>\$ 1,013,641</u>

GOVERNMENTAL FUND DEBT

<u>YEARS</u>	<u>SBITAS</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>
2025	\$ 235,044	\$ 6,123
2026	15,014	736
2027	16,119	381
	<u>\$ 266,177</u>	<u>\$ 7,240</u>

<u>DEBT</u> <u>YEARS</u> <u>INTEREST</u>	<u>PROPRIETARY FUND DEBT</u>		<u>COMPONENT UNIT</u>	
	<u>REVENUE BONDS</u> <u>PRINCIPAL</u>	<u>REVENUE BONDS</u> <u>INTEREST</u>	<u>REVENUE BONDS</u> <u>PRINCIPAL</u>	
2025	\$ 3,212,244	\$ 1,021,631	\$ -	\$ 154,728
2026	3,270,111	971,982	3,000,000	154,728
2027	3,328,732	921,193	3,890,000	98,028
2028	3,388,120	869,253	-	-
2029	3,448,286	816,152	-	-
2030-2034	18,192,029	3,241,623	-	-
2035-2039	19,925,220	1,718,641	-	-
2040-2044	9,725,786	308,290	-	-
	<u>\$ 64,490,528</u>	<u>\$ 9,868,765</u>	<u>\$ 6,890,000</u>	<u>\$ 407,484</u>

NOTE 8 - Conduit Debt Obligations

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. The outstanding balance at December 31, 2024 is \$3,665,082.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 9 - Wisconsin Retirement System

Plan Description - The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1200 hours a year (880 hours for teachers and school district educational support employees) and expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

ETF issued a standalone Annual Comprehensive Financial Report (ACFR), which can be found at [https:// etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements](https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements).

Vesting - For employees beginning participation on or after January 1, 1990, and no longer actively employed on or after April 24, 1998, creditable service in each of five years is required for eligibility for a retirement annuity. Participants employed prior to 1990 and on or after April 24, 1998, and prior to July 1, 2011, are immediately vested. Participants who initially became WRS eligible on or after July 1, 2011, must have five years of creditable service to be vested.

Benefits Provided - Employees who retire at or after age 65 (54 for protective occupations and 62 for elected officials and executive service retirement plan participants, if hired on or before 12/31/2016) are entitled to a retirement benefit based on a formula factor, their final average earnings, and creditable service.

Final average earnings is the average of the participant's three highest annual earnings periods. Creditable service includes current service and prior service for which a participant received earnings and made contributions as required. Creditable service also includes creditable military service. The retirement benefit will be calculated as a money purchase benefit based on the employee's contributions plus matching employer's contributions, with interest, if that benefit is higher than the formula benefit.

Vested participants may retire at or after age 55 (50 for protective occupations) and receive an actuarially-reduced benefit. Participants terminating covered employment prior to eligibility for an annuity may either receive employee-required contributions plus interest as a separation benefit or leave contributions on deposit and defer application until eligible to receive a retirement benefit.

The WRS also provides death and disability benefits for employees.

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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 9 - Wisconsin Retirement System - Continued

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0
2022	7.4	15.0
2023	1.6	(21.0)

Contributions - Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for general category employees, including teachers, Executives and Elected Officials. Starting on January 1, 2016, the Executives & Elected Officials Category was merged into the General Employee Category. Required contributions for protective employees are the same rate as general employees. Employers are required to contribute the remainder of the actuarially determined contribution rate. The employer may not pay the employee required contribution unless provided for by an existing collective bargaining agreement.

During the reporting period, the WRS recognized \$4,048,319 in contributions from the employer.

Contribution rates as of December 31, 2023, are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.80%	6.80%
Protective with Social Security	6.80%	13.20%
Protective without Social Security	6.80%	18.10%

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

At December 31, 2024, the City reported a liability (asset) of \$4,516,108 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2023, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. 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, 2023, the City's proportion was 0.30374565 percent, which was a decrease of 0.00145256 percent from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized pension expense of \$3,147,774.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 9 - Wisconsin Retirement System - Continued

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,208,904	\$ 24,117,806
Net differences between projected and actual earnings on pension plan investments	15,737,906	-
Changes in assumptions	1,968,442	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	78,632	7,112
Employer contributions subsequent to the measurement date	4,796,218	-
Total	\$ 40,790,102	\$ 24,124,918

\$4,796,218 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, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Deferred Outflows/ (Inflows) of Resources
2025	2,438,767
2026	2,559,541
2027	9,896,251
2028	(3,025,593)

Actuarial Assumptions - The total pension liability (asset) in the December 31, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2022
Measurement Date of Net Pension Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020 Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
Asset Valuation Method:	Fair Value
Long-Term Expected Rate of Return:	6.8%
Discount Rate:	6.8%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.1% - 5.6%
Mortality:	2020 WRS Experience Mortality Table
Post-retirement Adjustments*	1.7%

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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 9 - Wisconsin Retirement System - Continued

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total Pension Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the December 31, 2022 actuarial valuation.

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

Asset Allocation Targets and Expected Returns (as of December 31, 2023)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Global Equities	40	7.3	4.5
Fixed Income	27	5.8	3.0
Inflation Sensitive Assets	19	4.4	1.7
Real Estate	8	5.8	3.0
Private Equity/Debt	18	9.6	6.7
Leverage	(12)	3.7	1.0
Total Core Fund	100	7.4	4.6
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.8	4.0
International Equities	30	7.6	4.8
Total Variable Fund	100	7.3	4.5
New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.7%			
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 12% policy leverage is used, subject to an allowable range of up to 20%.			

Single Discount Rate - A single discount rate of 6.8 percent was used to measure the Total Pension Liability for the current and prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80 percent and a municipal bond rate of 3.77 percent (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2023. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax-exempt securities.). Because of the unique structure of WRS, the 6.8 percent expected rate of return implies that a dividend of approximately 1.7 percent will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 9 - Wisconsin Retirement System - Continued

Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 6.8 percent, as well as what the City's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.8%) or 1-percentage-point higher (7.8%) than the current rate:

	1% Decrease to Discount Rate (5.8%)	Current Discount Rate (6.8%)	1% Increase To Discount Rate (7.8%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$43,650,370	\$4,516,108	(\$22,867,790)

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in separately issued financial statements available at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Payables to the Pension Plan

At December 31, 2024, the City reported a payable of \$609,610 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2024.

NOTE 10 - Local Retiree Life Insurance Fund - OPEB

General Information about the Other Post-Employment Benefits

Plan Description - The LRLIF is a multiple-employer defined benefit OPEB plan. LRLIF benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. The Wisconsin Department of Employee Trust Funds (ETF) and the Group Insurance Board have statutory authority for program administration and oversight. The plan provides post-employment life insurance benefits for all eligible employees.

OPEB Plan Fiduciary Net Position - ETF issues a standalone Annual Comprehensive Financial Report (ACFR), which can be found at <https://etf.wi.gov/about-etf/reports-and-studies/financial-reports-and-statements>.

Benefits Provided - The LRLIF plan provides fully paid up life insurance benefits for post-age 64 retired employees and pre-65 retirees who pay for their coverage.

Contributions

The Group Insurance Board approves contribution rates annually, based on recommendations from the insurance carrier. Recommended rates are based on an annual valuation, taking into consideration an estimate of the present value of future benefits and the present value of future contributions. A portion of employer contributions made during a member's working lifetime funds a post-retirement benefit.

Employers are required to pay the following contributions based on employee contributions for active members to provide them with Basic Coverage after age 65. There are no employer contributions required for pre-age 65 annuitant coverage. If a member retires prior to age 65, they must continue paying the employee premiums until age 65 in order to be eligible for the benefit after age 65.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

Contribution rates as of December 31, 2023 are:

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

Employee contributions are based upon nine age bands through age 69 and an additional eight age bands for those age 70 and over. Participating employees must pay monthly contribution rates per \$1,000 of coverage until the age of 65 (age 70 if active). The employee contribution rates in effect for the year ended December 31, 2023 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2023		
Attained Age	Basic	Supplemental
Under 30	\$0.05	\$0.05
30-34	0.06	0.06
35-39	0.07	0.07
40-44	0.08	0.08
45-49	0.12	0.12
50-54	0.22	0.22
55-59	0.39	0.39
60-64	0.49	0.49
65-69	0.57	0.57

During the reporting period, the LRLIF recognized \$20,944 contributions from the employer.

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

At December 31, 2024, the City reported a liability (asset) of \$4,728,460 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2022 rolled forward to December 31, 2023. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. The City's proportion of the net OPEB liability (asset) was based on the City's share of contributions to the OPEB plan relative to the contributions of all participating employers. At December 31, 2023, the City's proportion was 1.02778000 percent, which was a decrease of 0.04176 percent from its proportion measured as of December 31, 2022.

For the year ended December 31, 2024, the City recognized OPEB expense of \$243,116.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 418,481
Net differences between projected and actual earnings on OPEB investments	63,879	-
Changes in assumptions	1,479,103	1,861,967
Changes in proportion and differences between employer contributions and proportionate share of contributions	70,762	649,978
Employer contributions subsequent to the measurement date	77,447	-
Total	\$1,691,191	\$2,930,426

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

\$77,447 reported as deferred outflows related to OPEB resulting from the City's Employer's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (asset) in the year ended December 31, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	Deferred Outflows/ (Inflows) of Resources
2025	(254,403)
2026	(275,167)
2027	(437,479)
2028	(377,936)
2029	28,303

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

Actuarial Valuation Date:	January 1, 2023
Measurement Date of Net OPEB Liability (Asset)	December 31, 2023
Experience Study:	January 1, 2018 - December 31, 2020, Published November 19, 2021
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	3.26%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	3.32%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.6%
Mortality:	Wisconsin 2020 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. The Total OPEB Liability for December 31, 2023 is based upon a roll-forward of the liability calculated from the January 1, 2023 actuarial valuation.

Long-Term Expected Return on Plan Assets - The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. Investments for the LRLIF are held with Securian, the insurance carrier. Interest is calculated and credited to the LRLIF based on the rate of return for a segment of the insurance carriers' general fund, specifically 10-year A- Bonds (as a proxy, and not tied to any specific investments). The overall aggregate interest rate is calculated using a tiered approach based on the year the funds were originally invested and the rate of return for that year. Investment interest is credited based on the aggregate rate of return and assets are not adjusted to fair market value. Furthermore, the insurance carrier guarantees the principal amounts of the reserves, including all interest previously credited thereto.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

Local OPEB Life Insurance
Asset Allocation Targets and Expected Returns
As of December 31, 2023

Asset Class	Index	Target Allocation	Long-Term Expected Geometric Real Rate of Return
US Intermediate Credit Bonds	Bloomberg US Interm Credit	40%	2.32%
US Mortgages	Bloomberg US MBS	60%	2.52%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%

The long-term expected rate of return remained unchanged from the prior year at 4.25 percent. The long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The expected inflation rate remained unchanged from the prior year at 2.30 percent.

Single Discount Rate - A single discount rate of 3.32 percent was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.76 percent for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.72 percent as of December 31, 2022 to 3.26 percent as of December 31, 2023. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

Sensitivity of the City's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate - The following presents the City's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 3.32 percent, as well as what the City's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (2.32%) or 1-percentage-point higher (4.32%) than the current rate:

	1% Decrease to Discount Rate (2.32%)	Current Discount Rate (3.32%)	1% Increase To Discount Rate (4.32%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$6,353,345	\$4,728,460	\$3,488,147

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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

Payables to the OPEB Plan

At December 31, 2024, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2024.

NOTE 11 - Post-Employment Benefits Other Than Pensions

General Information about the Post-Employment Benefits Other Than Pensions

Plan Description - The other post-employment benefits (OPEB) other than pensions is a single-employer defined benefit OPEB plan. Benefit terms are established by employee handbooks and certain employment contracts and may be modified by the City Council. The plan is administered by the City and included in the City's financial statements.

Benefits Provided - Employees covered under the employee handbook hired prior to January 1, 2014 and at least 53-55 years of age (depending on employee category) with 10-20 years of continuous employment with the City (depending on employee category) are eligible to continue receiving medical coverage into retirement until reaching Medicare eligibility provided they pay the current employee portion of the premiums.

Police and fire employees hired prior to July 1, 2013 and at least 53 years of age with 15-20 years of continuous employment with the City (depending on employee category) are eligible to continue receiving medical coverage into retirement until reaching Medicare eligibility provided they pay the current employee portion of the premiums.

Employees Covered - As of the December 31, 2023 measurement date, the following employees were covered by the benefit terms. The plan is closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	131
Inactive employees entitled to but not yet receiving benefits	-
Active employees	156
Total	<u>287</u>

Contributions - The City Council has the authority to establish the contribution requirements for the plan. Under the current plan, no contributions are made directly, rather the eligible retirees continue to be covered under the City's healthcare plan and the City pays a portion of the premium. The Council establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended December 31, 2024, the City paid \$2,514,242 in premium benefits.

Actuarial Assumptions - The OPEB healthcare liability in the December 31, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2024
Measurement Date:	December 31, 2024
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	N/A
Discount Rate:	4.28%
Salary Increases:	4.00%
Mortality:	WRS December 31, 2023 Valuation
Medical Care Cost Trend:	5% decreasing by .04% per year to 4.5%, and level thereafter

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

The actuarial valuation was based upon the data provided by the City and utilized the premium rate history of the City's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of January 1, 2023. Actuarial assumptions are based upon the Wisconsin Retirement System December 31, 2023 Actuarial Valuation Report.

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

Discount Rate - A discount rate of 4.28 percent was used to measure the total OPEB healthcare liability. This discount rate was based on a 20-year municipal bond rate. Based on these assumptions, the plan was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total OPEB healthcare liability.

Changes in the OPEB Healthcare Liability

	<u>OPEB HEALTHCARE LIABILITY</u>
BEGINNING BALANCE	<u>\$33,575,042</u>
Changes for the year:	
Service	610,957
Interest	1,292,717
Difference between expected and actual experience	(4,412,541)
Changes of assumption and other inputs	6,992
Benefit payments	<u>(2,514,242)</u>
NET CHANGES	<u>(5,016,117)</u>
ENDING BALANCE	<u>\$28,558,926</u>

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

	1% Decrease to Healthcare Cost Rate (4% decreasing to 3.5%)	Current Healthcare Cost Rate (5% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (6% decreasing to 5.5%)
OPEB healthcare liability	\$26,533,601	\$28,558,926	\$30,846,991

Sensitivity of the OPEB Healthcare Liability to Changes in the Discount Rate - The following presents the OPEB healthcare liability calculated using the discount rate of 4.28 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.28%) or 1-percentage-point higher (5.28%) than the current rate:

	1% Decrease to Discount Rate (3.28%)	Current Discount Rate (4.28%)	1% Increase to Discount Rate (5.28%)
OPEB healthcare liability	\$30,310,688	\$28,558,926	\$26,940,048

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

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

For the year ended December 31, 2024, the City recognized OPEB healthcare expense of \$1,884,409.

At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB healthcare from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 134,767	\$ 3,462,756
Changes in assumptions	958,090	1,937,882
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Total	\$ 1,092,857	\$5,400,638

\$-0- reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB healthcare will be recognized in expense as follows:

Year ending December 31	Deferred Outflows/ (Inflows) of Resources
2025	\$(1,655,082)
2026	(1,103,930)
2027	(936,339)
2028	(612,430)

Payables to the OPEB Healthcare Plan - The City reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended December 31, 2024.

NOTE 12 - Interfund Receivables, Payables, and Transfers

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Due To/From Other Funds		
General Fund	Water Utility	\$ 900,886
General Fund	Stock Room	32,864
General Fund	Storm Utility	40,714
		\$ 974,464
Advances To/From Other Funds:		
General Fund	Transit	\$ 202,692
General Fund	TIF District #12	65,585
General Fund	Special Assigned	160,000
Parking Utility	TIF District #11	1,000,000
Water Utility	TIF District #10	202,364
Sewer Utility	TIF District #12	20,728
Debt Service Fund	TIF District #11	1,000,000
Worker's Compensation	Liability Claims	150,000
Special Assigned	TIF District #12	127,802
General Fund	HUD Grants	250,000
TIF District #11	TIF District #19	10,000
TIF District #11	TIF District #21	10,000
		\$ 3,199,171

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

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

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 2024 are as follows:

TRANSFER OUT	TRANSFER IN:						
	GENERAL FUND	HUD GRANTS	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	PARKING UTILITY	STORM UTILITY	TOTAL
General Fund	\$ -	\$ -	\$ 8,735,000	\$ 772,310	\$ -	\$ -	\$ 9,507,310
Nonmajor Governmental Funds	1,658,756	47,468	2,498,107	11,645,749	1,023,031	-	16,873,111
Water Utility	900,886	-	-	-	-	735	901,621
Sewer Utility	-	-	-	18,999	-	71,157	90,156
TOTAL	<u>\$2,559,642</u>	<u>\$ 47,468</u>	<u>\$11,233,107</u>	<u>\$ 12,437,058</u>	<u>\$ 1,023,031</u>	<u>\$ 71,892</u>	<u>\$27,372,198</u>

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

NOTE 13 - Net Position and Fund Balances

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

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Deficits</u>		
TIF District #10	Awaiting future TIF levies	\$ 36,383
TIF District #12	Awaiting future TIF levies	195,087
TIF District #18	Awaiting future TIF levies	6,004
TIF District #19	Awaiting future TIF levies	1,562
TIF District #21	Awaiting future TIF levies	1,753
	Total Deficits	<u>\$ 240,789</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 13 - Net Position and Fund Balances - Continued

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

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Nonspendable</u>		
General Fund	Inventory and prepaid expenses	\$ 120,826
General Fund	Advances to other funds	678,277
General Fund	Delinquent personal property tax	367,872
Capital Notes	Inventory and prepaids	12,000
La Crosse Center	Inventory and prepaids	521,255
Transit	Prepaid expenses and inventory	232,818
State Grants	Prepaid expenses and inventory	355
Capital Projects	Prepaid expenses and inventory	18,200
Capital Projects	Advances to other funds	20,000
Special Assigned	Prepaid expenses	78,505
Special Assigned	Advances to other funds	127,802
Debt Service	Advances to other funds	1,000,000
	Total Nonspendable	<u>\$ 3,177,910</u>
<u>Restricted</u>		
Debt Service	Future debt repayment	\$ 18,144,856
Building and Land Capital Projects	Unspent bond monies	1,508,837
Capital Projects	Unspent bond monies	79,331
Capital Bonds	Unspent bond monies	2,462,707
Capital Notes	Unspent bond monies	13,496,955
TIF District #11	Future TIF expenditures	1,723,123
TIF District #13	Future TIF expenditures	7,168,663
TIF District #14	Future TIF expenditures	949,366
TIF District #15	Future TIF expenditures	505,402
TIF District #16	Future TIF expenditures	133,731
TIF District #17	Future TIF expenditures	1,579,168
TIF District #20	Future TIF expenditures	21,214
Capital Equipment	Unspent bond monies	513,610
Flood Plan Control	Unspent bond monies	42,035
Parks and Recreation	Unspent bond monies	742,341
Roadway and Infrastructure	Unspent bond monies	5,428,513
HUD Grants	Future loan payments	1,065,742
Housing	Future payments	216
Federal Grants	Future payments	253,983
	Total Restricted	<u>\$ 55,819,793</u>
<u>Committed</u>		
State Grants	Future grant expenditures	\$ 335,790
Library	Future library expenditures	2,094,685
Special Assessments	Future special assessment expenditures	606,400
Special Assigned	Expenditures related to prior year budget commitments	6,028,010
Room Tax	Future room tax expenditures	2,407,267
	Total Committed	<u>\$ 11,472,152</u>
<u>Restricted - Governmental Activities</u>		
Capital Projects	Various projects	\$ 22,858,257
Debt Service	Future debt repayment	18,144,856
Special Revenue	Unspent bond monies (HUD & Federal)	14,816,680
	Total Restricted - Governmental Activities	<u>\$ 55,819,793</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 13 - Net Position and Fund Balances - Continued

Restricted - Propriety Funds and
Business-Type Activities

Airport	Restricted for future projects	\$ 800,835
Sewer	DNR replacement reserve	9,611,104
Water	Replacement fund	<u>134,738</u>
Total Restricted - Proprietary Funds and Business-Type Activities		<u>\$ 10,546,677</u>

NOTE 14 - Contingent Liabilities and Commitments

The City is a defendant in several lawsuits. In the opinion of the City Attorney and the City's management, resolution of these cases will not result in any material adverse effect on the City's operations or financial position. During 2020 and subsequent to year end, notices of injury were filed by a neighboring township's property owners regarding alleged private well contamination. As of the financial statement date, the dollar amount of a potential liability could not be reasonably determined as it is not yet probable that a liability will be incurred.

All capital projects fund balances consist of unspent bond proceeds which have been restricted for future projects.

The Component Unit has contracted with a master developer for a development project. The contract includes performance incentives with a maximum of \$825,000. The Component Unit also has a construction contract for the same development with \$342,316 remaining to be completed as of year-end.

NOTE 15 - Tax Incremental Finance Districts

Tax increment financing, as authorized by Section 66.1105 of the Wisconsin Statutes, is a method by which the City can recover its development and public improvement costs in Tax Incremental Finance District (TIF) designated areas. These costs are recovered from the increased valuation in the designated area. The City has financed development and public improvement costs in its TIF through general fund advances and through the issuance of general obligation long-term debt. Project costs have been reported primarily as Capital Projects Funds expenditures. Tax increments will be used to repay general fund advances and to meet maturing debt obligations incurred to provide financing for development and public improvement costs within the tax incremental district. The District is allowed to collect tax increments until its termination date. Any over-collections are returned to the various taxing entities of the District. The City becomes liable for any cost not recovered by the termination date.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 15 - Tax Incremental Finance Districts - Continued

The City has twelve active Tax Incremental Financing Districts. The following are project summaries of the activity and status of the districts through December 31, 2024:

	#10	#11	#12	#13	#14
SOURCES OF FUNDS					
TIF tax collections	\$ 1,568,390	\$ 47,132,751	\$ 9,662,818	\$ 23,236,745	\$ 18,984,987
Exempt computer aids	688,807	6,554,040	151,599	2,373,854	13,798,295
Payment from other government	110,191	-	-	-	-
Sale of assets	26,806	828,002	42,200	404,815	440,992
Grants	-	5,432,773	42,640	375,000	1,238,367
Economic development proceeds	-	640	-	128	-
DNR loan	-	-	-	216,657	-
Judgment/liquidated damages	-	2,000,000	-	200,000	-
Loan repayments	-	699,910	-	51,250	-
Interest income	20,690	593,873	22,531	751,209	398,666
Proceeds from long-term debt	240,750	37,061,983	7,355,928	8,586,767	1,185,993
Settlement from private	-	-	-	-	4,132,223
Transfers from other TIF's	-	400,608	748,500	2,036	5,000
TOTAL SOURCES	2,655,634	100,704,580	18,026,216	36,198,461	40,184,523
USES OF FUNDS					
Capital expenditures	2,453,205	61,969,995	9,662,517	12,540,943	19,357,153
Principal and interest on long-term debt	186,530	31,050,437	8,500,712	7,825,482	450,823
Interest on advances	52,282	1,130,126	58,074	46,157	8,781
Incentives for reverse TIF	-	3,210,699	-	188,685	13,656,948
Transfers to other TIF's	-	1,600,000	-	8,428,531	5,743,452
TOTAL USES	2,692,017	98,961,257	18,221,303	29,029,798	39,217,157
FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2024	\$ (36,383)	\$ 1,743,323	\$ (195,087)	\$ 7,168,663	\$ 967,366
FUTURE REQUIREMENTS					
Debt service	\$ -	\$ 12,855,004	\$ 3,026,633	\$ 2,183,676	\$ 25,823
Advances from other funds	202,364	2,000,000	214,115	-	-
Interest on advances	12,830	190,200	20,363	-	-
Proceeds from other governments	470,054	-	-	-	-
Estimated payable (developer's agreement)	-	2,800,000	-	-	3,345,000
Less receivables/plus payables	952	43,779	-	69,304	18,000
TOTAL FUTURE REQUIREMENTS	686,200	17,888,983	3,261,111	2,252,980	3,388,823
Less cash on hand (deficit)	(166,933)	(3,787,102)	(19,028)	(7,237,967)	(985,366)
BALANCE TO BE COLLECTED ON TIF DISTRICT	\$ 519,267	\$ 14,101,881	\$ 3,242,083	\$ (4,984,987)	\$ 2,403,457
DISTRICT TERMINATION DATE	2030	2031	2032	2026	2026
2024 Tax Increment	\$ 315,721	\$ 4,330,124	\$ 591,723	\$ 2,742,415	\$ 1,602,358

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 15 - Tax Incremental Finance Districts - Continued

	#15	#16	#17	#18	#19	#20	#21
SOURCES OF FUNDS							
TIF tax collections	\$ 7,815,283	\$ 2,214,572	\$ 11,500,620	\$ 26,298	\$ -	\$ 28,995	\$ -
Exempt computer aids	704,342	19,295	138,075	-	-	-	-
Payment from other government	-	-	1,003,448	-	-	-	-
Sale of assets	30,704	-	139,107	-	-	-	-
Grants	-	-	2,722	-	-	-	-
Economic development proceeds	-	30,000	-	-	-	-	-
Judgment/liquidated damages	4,670	-	-	-	-	-	-
Loan repayments	73,403	-	-	-	-	-	-
Interest income	133,434	201,870	257,803	6,428	260	2,519	253
Proceeds from long-term debt	-	1,736,875	16,190,000	-	-	-	-
Proceeds from entity	272,935	803,739	-	-	-	-	-
Transfers from other TIF's	-	-	-	18,771,982	10,000	10,000	-
TOTAL SOURCES	9,034,771	5,006,351	29,231,775	18,804,708	10,260	41,514	253
USES OF FUNDS							
Capital expenditures	4,921,523	3,290,671	17,614,037	18,810,712	11,300	20,300	1,484
Principal and interest on long-term debt	-	807,174	9,038,142	-	-	-	-
Interest on advances	24	25,917	428	-	522	-	522
Incentives for reverse TIF	2,107,822	248,858	-	-	-	-	-
Transfers to other TIF's	1,500,000	500,000	1,000,000	-	-	-	-
TOTAL USES	8,529,369	4,872,620	27,652,607	18,810,712	11,822	20,300	2,006
FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2024	\$ 505,402	\$ 133,731	\$ 1,579,168	\$ (6,004)	\$ (1,562)	\$ 21,214	\$ (1,753)
FUTURE REQUIREMENTS							
Debt service	\$ -	\$ -	\$ 8,483,972	\$ -	\$ -	\$ -	\$ -
Estimated payable (developer's agreement)	3,575,000	3,539,400	1,100,000	-	-	-	-
Less receivables/plus payables	15,722	-	9,440	89,615	10,000	-	10,000
TOTAL FUTURE REQUIREMENTS	3,590,722	3,539,400	9,593,412	89,615	10,000	-	10,000
Less cash on hand (deficit)	(521,124)	(133,731)	(1,588,608)	(83,611)	(8,438)	(21,214)	(8,247)
BALANCE TO BE COLLECTED OF TIF DISTRICT	\$ 3,069,598	\$ 3,405,669	\$ 8,004,804	\$ 6,004	\$ 1,562	\$ (21,214)	\$ 1,753
DISTRICT TERMINATION DATE	2033	2034	2035	2047	2047	2047	2050
2024 Tax Increment	\$ 1,238,741	\$ 742,759	\$ 1,749,466	\$ 83,681	\$ -	\$ 359	\$ -

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 16 - Risk Management

Self-Insured Programs

Effective 1986, the City began to self-insure its liability and workers' compensation exposures. The Liability Claims Fund is to be used solely for settling liability claims. The Workers' Compensation Fund is to be used only to meet any compensation claims under the Wisconsin Workers' Compensation Act. Funding comes from the City's annual operating budgets of the general and enterprise funds. The City must provide for 100 percent of any claims awarded by the funds.

The City also established a self-funded health plan for its employees. The plan administrators, Customer Benefit Administrators and Quartz (formerly Gundersen Lutheran Health Plan) are responsible for the approval, processing, and payment of claims, after which they bill the City for reimbursement. The City is also responsible for a monthly administrative fee. The plan reports on a fiscal year ending December 31.

As part of the health care coverage of the Plan, the City purchases specific stop loss insurance. Specific coverage pays claims in excess of \$125,000 per individual after the City has met a \$125,000 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, 2023 to December 31, 2024:

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Liability</u>
Liability Balance, January 1, 2023	4,784,746	1,065,358	398,643
Claims and changes in estimates	11,303,351	58,532	664,195
Claim payments	<u>(11,057,484)</u>	<u>(58,390)</u>	<u>(443,251)</u>
Liability Balance, January 1, 2024	5,030,613	1,065,500	619,587
Claims and changes in estimates	12,541,408	(322,602)	73,095
Claim payments	<u>(12,441,441)</u>	<u>(3,733)</u>	<u>(372,632)</u>
LIABILITY BALANCE, DECEMBER 31, 2024	<u>\$ 5,130,580</u>	<u>\$ 739,165</u>	<u>\$ 320,050</u>

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

Participation in Risk Pool

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

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2024

NOTE 16 - Risk Management - Continued

The WMMIC provides the City with \$10,000,000 of liability coverage for losses over their self-insured retention level of \$150,000 per occurrence with a \$600,000 aggregate stop loss. An annual premium is charged to cover expected claims and administrative costs. The claims component of the premium is determined by independent actuaries and allocated among the participating members based on payroll and loss history.

The WMMIC is a policy driven organization and as such, all WMMIC policies are approved by the Board of Directors. WMMIC members control the company through a strong committee structure that meets at least quarterly and makes recommendations to the Board of Directors. The Board of Directors and its Officers are comprised of official representatives of their respective member municipality.

The City is exposed to various risks of loss to torts; theft, damage, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. There has been no significant reduction in insurance coverage from the previous year. There have been no settlements in excess of coverage in any of the prior three fiscal years.

NOTE 17 - Adjustments to and Restatements of Beginning Balances

During 2024, changes in accounting principles and changes to or within the financial reporting entity resulted in adjustments to and restatements of beginning net position and fund balances.

Details of reporting units affected by adjustments to and restatements of beginning fund balances are as follows:

GOVERNMENTAL FUNDS				
			FEDERAL GRANTS	NONMAJOR
December 31, 2023, as previously stated			\$ 279,349	\$ 50,453,503
Change from major to nonmajor			(279,349)	279,349
December 31, 2023, as restated			\$ -	\$ 50,732,852
PROPRIETARY FUNDS				
	AIRPORT	PARKING	SEWER	WATER
December 31, 2023, as previously stated	\$76,900,920	\$ 33,916,045	\$ 50,362,345	\$ 40,202,677
Change in accounting principle (GASB 101)	(15,249)	(8,325)	(16,938)	(31,099)
December 31, 2023, as restated	\$76,885,671	\$ 33,907,720	\$ 50,345,407	\$ 40,171,578
GOVERNMENT-WIDE				
			GOVERN- MENTAL ACTIVITIES	BUSINESS- TYPE ACTIVITIES
December 31, 2023, as previously stated			\$308,884,075	\$227,078,987
Change in accounting principle (GASB 101)			(2,085,544)	(71,611)
December 31, 2023, as restated			\$306,798,531	\$227,007,376

CITY OF LA CROSSE, WISCONSIN
REQUIRED SUPPLEMENTARY INFORMATION

CITY OF LA CROSSE, WISCONSIN
BUDGETARY COMPARISON SCHEDULE FOR THE GENERAL FUND
BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2024

	BUDGETED AMOUNTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
REVENUE				
Taxes	\$ 42,262,146	\$ 42,262,146	\$ 42,565,441	\$ 303,295
Intergovernmental	21,228,845	21,228,845	22,797,242	1,568,397
Licenses and permits	1,866,412	1,866,412	1,944,819	78,407
Fines, forfeits, and penalties	1,100	1,100	811	(289)
Public charges for services	1,673,090	1,673,090	2,582,397	909,307
Intergovernmental charges for services	1,151,323	1,151,323	1,218,657	67,334
Miscellaneous	1,243,433	1,243,433	2,475,293	1,231,860
Change in FMV of investments	-	-	462,361	462,361
TOTAL REVENUE	69,426,349	69,426,349	74,047,021	4,620,672
EXPENDITURES				
Current				
General government	12,789,741	10,371,682	9,825,588	546,094
Public safety	26,745,559	28,270,095	28,314,119	(44,024)
Public works	9,768,047	10,211,812	9,656,086	555,726
Culture, recreation, and education	12,952,760	13,400,217	14,310,005	(909,788)
Conservation and development	478,916	481,217	369,259	111,958
Debt service				
Principal	-	-	353,887	(353,887)
Interest	-	-	402	(402)
Capital outlay	153,200	153,200	411,944	(258,744)
TOTAL EXPENDITURES	62,888,223	62,888,223	63,241,290	(353,067)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	6,538,126	6,538,126	10,805,731	4,267,605
OTHER FINANCING SOURCES (USES)				
Operating transfers in	2,907,799	2,907,799	2,559,642	(348,157)
Operating transfers (out)	(9,480,925)	(9,480,925)	(9,507,310)	(26,385)
Sale of capital assets	35,000	35,000	631,066	596,066
Subscription-based IT arrangements	-	-	45,862	45,862
TOTAL OTHER FINANCING SOURCES (USES)	(6,538,126)	(6,538,126)	(6,270,740)	267,386
NET CHANGE IN FUND BALANCE	-	-	4,534,991	4,534,991
FUND BALANCE - BEGINNING OF YEAR	21,145,491	21,145,491	21,145,491	-
FUND BALANCE - END OF YEAR	\$ 21,145,491	\$ 21,145,491	\$ 25,680,482	\$ 4,534,991

The accompanying notes are an integral part of this schedule.

CITY OF LA CROSSE, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
ON BUDGETARY ACCOUNTING AND CONTROL
YEAR ENDED DECEMBER 31, 2024

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. There were \$-0- of supplemental appropriations to increase the total budget during the year.
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 public safety by \$44,024, culture recreation and education by \$909,788, debt service by \$354,289, and capital outlay by \$258,744 for the year ended December 31, 2024. The over expenditures were financed by under expenditures in other functions and greater than anticipated revenue.

CITY OF LA CROSSE, WISCONSIN
OPEB HEALTHCARE DEFINED BENEFIT PLAN SCHEDULES
YEAR ENDED DECEMBER 31, 2024

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

	2024	2023	2022	2021	2020	2019	2018
Total OPEB Healthcare Liability							
Service cost	\$ 610,957	\$ 820,958	\$ 1,134,196	\$ 1,353,237	\$ 1,039,468	\$ 1,665,034	\$ 1,512,531
Interest	1,292,717	1,387,595	818,843	732,355	1,618,378	1,792,678	2,161,436
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	(4,412,541)	-	422,812	-	(13,863,827)	-	(8,856,250)
Changes of assumptions or other input	6,992	622,747	(3,787,202)	(726,246)	2,816,961	879,410	(3,448,173)
Benefit payments	(2,514,241)	(2,902,093)	(2,671,599)	(3,152,716)	(3,464,664)	(4,414,782)	(4,449,578)
Administrative expense	-	-	-	-	-	-	-
Other changes	-	-	-	-	-	(3,291)	(2,208,450)
Net Changes in Total OPEB Healthcare Liability	(5,016,116)	(70,793)	(4,082,950)	(1,793,370)	(11,853,684)	(80,951)	(15,288,484)
Total OPEB Healthcare Liability - Beginning	33,575,042	33,645,835	37,728,785	39,522,155	51,375,839	51,456,790	66,745,274
Total OPEB Healthcare Liability - Ending	\$ 28,558,926	\$ 33,575,042	\$ 33,645,835	\$ 37,728,785	\$ 39,522,155	\$ 51,375,839	\$ 51,456,790
Covered payroll	\$ 13,957,443	\$ 14,454,692	\$ 14,454,692	\$ 19,887,610	\$ 19,122,675	\$ 20,440,991	\$ 20,440,991
Net OPEB healthcare liability as a percentage of covered payroll	204.61%	232.28%	232.77%	189.71%	206.68%	251.34%	251.73%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

	2024	2023	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-	-	-
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,957,443	\$ 14,454,692	\$ 14,454,692	\$ 19,887,610	\$ 19,122,675	\$ 20,440,991	\$ 20,440,991
Contributions as a percentage of covered payroll	-	-	-	-	-	-	-
Actuarial valuation date	1/1/2024	1/1/2022	1/1/2022	1/1/2020	1/1/2020	1/1/2018	1/1/2018
Measurement date	12/31/2024	12/31/2022	12/31/2022	12/31/2020	12/31/2020	12/31/2018	12/31/2018

The City implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2024

Methods and assumptions used to determine actuarially calculations - entry age normal cost, 30 year level % open amortization, fair market value asset valuation, 4.00% discount rate, 4% salary increases, Wisconsin 2019 mortality table.

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

Changes of assumptions - there were no changes in the assumptions.

CITY OF LA CROSSE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES
YEAR ENDED DECEMBER 31, 2024

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

Pension Plan Fiscal Year	Proportion of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Covered Payroll	Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability (Asset)
2023	0.30374565%	\$ 4,516,108	\$ 37,922,697	11.91%	98.85%
2022	0.30519821%	16,168,497	35,500,004	45.55%	95.72%
2021	0.30824469%	(24,845,089)	35,303,238	-70.38%	106.02%
2020	0.30960272%	(19,328,927)	36,278,721	-53.28%	105.26%
2019	0.30594952%	(9,865,210)	35,174,534	-28.05%	102.96%
2018	0.29907982%	10,640,823	33,894,372	31.39%	96.45%
2017	0.28830557%	(8,560,134)	32,414,141	-26.41%	102.93%
2016	0.27955334%	2,304,187	31,820,938	7.24%	99.12%
2016	0.27169553%	4,414,500	30,422,348	14.51%	98.20%
2014	0.27001724%	(6,632,361)	29,513,033	-22.47%	102.74%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 4,048,319	\$ (4,048,319)	\$ -	\$ 40,329,068	10.04%
2023	3,543,969	(3,543,969)	-	35,500,004	9.98%
2022	3,540,369	(3,540,369)	-	35,303,238	10.03%
2021	3,505,883	(3,505,883)	-	36,278,721	9.66%
2020	3,250,304	(3,250,304)	-	35,174,534	9.24%
2019	3,168,907	(3,168,907)	-	33,894,372	9.35%
2018	3,030,212	(3,030,212)	-	32,414,141	9.35%
2017	2,755,204	(2,755,204)	-	31,820,938	8.66%
2017	2,661,909	(2,661,909)	-	30,422,348	8.75%
2015	2,689,659	(2,689,659)	-	29,513,033	9.11%

The City implemented the Government Accounting Standards Board Statement No. 68 for the year ended December 31, 2015. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2024

Changes of benefit terms - there were no changes of benefit

Changes of assumptions:

Based on a three-year experience study conducted in 2021 covering January 1, 2018 through December 31, 2020, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2021, including the following:

- Lowering the long-term expected rate of return from 7.0% to 6.8%
- Lowering the discount rate from 7.0% to 6.8%
- Lowering the price inflation rate from 2.5% to 2.4%
- Lowering the post-retirement adjustments from 1.9% to 1.7%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

Based on a three-year experience study conducted in 2018 covering January 1, 2015 through December 31, 2017, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2018, including the following:

- Lowering the long-term expected rate of return from 7.2% to 7.0%
- Lowering the discount rate from 7.2% to 7.0%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Lowering the post-retirement adjustments from 2.1% to 1.9%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

CITY OF LA CROSSE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED DECEMBER 31, 2024

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

	2023	2022	2021	2020	2019
Valuation Date:	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018	December 31, 2017
Amortization Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS
Asset Valuation Method:	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)
Actuarial Assumptions					
Net Investment Rate of Return	5.4%	5.4%	5.4%	5.4%	5.5%
Weighted Based on Assumed Rate for;					
Pre-retirement:	6.8%	7.0%	7.0%	7.0%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.2%
Seniority/Merit:	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%
Post-retirement Benefit Adjustments*:	170.0%	1.9%	1.9%	1.9%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2021 valuation pursuant to an experience study of the period 2018-2020	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014
Mortality:	2020 WRS Experience Tables. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2021 fully generational improvement scale from a base year of 2010.	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

(Continued on page 73)

CITY OF LA CROSSE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued
YEAR ENDED DECEMBER 31, 2024

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

	2018	2017	2016	2015	2014
Valuation Date:	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013	December 31, 2012
Amortization Cost Method:	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age	Frozen Entry Age
Amortization Method:	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period	Level Percent of Payroll-Closed Amortization Period
Amortization Period:	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS	30-year closed from date of participation in WRS
Asset Valuation Method:	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)	Five-Year Smoothed Market (Closed)
Actuarial Assumptions Net Investment Rate of Return:	5.5%	5.5%	5.5%	5.5%	5.5%
Weighted Based on Assumed Rate for:					
Pre-retirement:	7.2%	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.2%	3.2%	3.2%	3.2%	3.2%
Seniority/Merit:	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%	0.1 - 5.6%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%	2.1%
Retirement Age:	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011
Mortality:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience, and other factors. Value is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

CITY OF LA CROSSE, WISCONSIN
WISCONSIN RETIREMENT SYSTEM LOCAL RETIREE LIFE INSURANCE FUND SCHEDULES
YEAR ENDED DECEMBER 31, 2024

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY (ASSET)
Last 10 Fiscal Years

OPEB Plan Fiscal Year	Proportion of the Net OPEB Liability (Asset)	Proportionate Share of the Net OPEB Liability (Asset)	Covered Payroll	Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset)
2023	1.02778000%	\$ 4,728,460	\$ 33,318,000	14.19%	33.90%
2022	1.06953900%	4,074,758	32,797,000	12.42%	38.81%
2021	1.16153600%	6,865,107	33,183,000	20.69%	29.57%
2020	1.22622300%	6,745,112	32,350,000	20.85%	31.36%
2019	1.17931200%	5,021,740	31,321,000	16.03%	37.58%
2018	1.20713400%	3,114,813	30,307,000	10.28%	48.69%
2017	1.19802700%	3,604,360	50,380,462	7.15%	44.81%

SCHEDULE OF CONTRIBUTIONS
Last 10 Fiscal Years

City Fiscal Year End	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2024	\$ 20,944	(20,944)	\$ -	\$ 33,318,000	0.06%
2023	21,459	(21,459)	-	32,797,000	0.07%
2022	23,773	(23,773)	-	33,183,000	0.07%
2021	24,451	(24,451)	-	32,350,000	0.08%
2020	21,319	(21,319)	-	31,321,000	0.07%
2019	23,257	(23,257)	-	30,307,000	0.08%
2018	22,750	(22,750)	-	50,380,462	0.05%

The City implemented the Government Accounting Standards Board Statement No. 75 for the year ended December 31, 2018. Requirements have been implemented prospectively; therefore, the above illustrations do not reflect similar information for the proceeding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2024

Changes of benefit terms - there were no changes of benefit terms for any participating employer in the local retiree life insurance fund.

Changes of assumptions:

In addition to the rate changes detailed in the tables above, the State of Wisconsin Employee Trust Fund Board adopted economic and demographic assumption changes based on a three year experience study performed for the Wisconsin Retirement System. These assumptions are used in the actuarial valuations of OPEB liabilities (assets) for the retiree life insurance programs and are summarized below.

The assumption changes that were used to measure the December 31, 2021 total OPEB liabilities, including the following:

- Lowering the price inflation rate from 2.5% to 2.4%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2018 Mortality Table to the 2020 WRS Experience Mortality Table.

The assumption changes that were used to measure the December 31, 2018 total OPEB liabilities, including the following:

- Lowering the long-term expected rate of return from 5.00% to 4.25%
- Lowering the wage inflation rate from 3.2% to 3.0%
- Lowering the price inflation rate from 2.7% to 2.5%
- Mortality assumptions were changed to reflect updated trends by transitioning from the Wisconsin 2012 Mortality Table to the Wisconsin 2018 Mortality Table.

CITY OF LA CROSSE, WISCONSIN

SUPPLEMENTARY INFORMATION

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and investments	\$ 18,248,528	\$ 40,074,583	\$ 58,323,111
Receivable			
Taxes	300,486	13,397,347	13,697,833
Accounts and other	893,360	291,723	1,185,083
Special assessments	498,863	-	498,863
Loan	2,821,819	1,167,304	3,989,123
Due from other governments	1,158,554	-	1,158,554
Inventories	257,139	-	257,139
Prepays	575,794	30,200	605,994
Leases receivable	2,768,819	216,462	2,985,281
Advances to other funds	127,802	20,000	147,802
TOTAL ASSETS	<u>\$ 27,651,164</u>	<u>\$ 55,197,619</u>	<u>\$ 82,848,783</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 894,978	\$ 1,237,609	\$ 2,132,587
Accrued expenses			
Payroll	213,071	-	213,071
Interest	1	5,852	5,853
Due to other governments	698,365	306,150	1,004,515
Deposit payable	64,206	-	64,206
Unearned revenue - other	9,729,712	1,438,021	11,167,733
Advances from other funds	362,692	2,436,479	2,799,171
TOTAL LIABILITIES	<u>11,963,025</u>	<u>5,424,111</u>	<u>17,387,136</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - tax roll	86,936	13,397,347	13,484,283
Unavailable revenue - special assessments	472,928	-	472,928
Leases	2,680,967	211,538	2,892,505
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,240,831</u>	<u>13,608,885</u>	<u>16,849,716</u>
FUND BALANCES			
Nonspendable	960,735	50,200	1,010,935
Restricted	253,983	36,355,212	36,609,195
Committed	11,472,152	-	11,472,152
Unassigned	(239,562)	(240,789)	(480,351)
TOTAL FUND BALANCES	<u>12,447,308</u>	<u>36,164,623</u>	<u>48,611,931</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 27,651,164</u>	<u>\$ 55,197,619</u>	<u>\$ 82,848,783</u>

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2024

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE			
Taxes	\$ 237,233	\$ 14,768,414	\$ 15,005,647
Special assessment	222,984	-	222,984
Intergovernmental	10,294,520	3,697,787	13,992,307
Licenses and permits	753,096	-	753,096
Fines, forfeits, and penalties	800,547	-	800,547
Public charges for services	7,431,676	19,861	7,451,537
Intergovernmental charges for services	475,236	-	475,236
Miscellaneous	2,004,206	1,269,688	3,273,894
Change in fair value of investments	45,000	-	45,000
TOTAL REVENUE	<u>22,264,498</u>	<u>19,755,750</u>	<u>42,020,248</u>
EXPENDITURES			
Current			
General government	3,054,431	504	3,054,935
Public safety	1,137,253	-	1,137,253
Public works	7,051,854	-	7,051,854
Health and human services	170,110	-	170,110
Culture, recreation, and education	7,239,703	-	7,239,703
Conservation and development	1,795,497	445,831	2,241,328
Debt service			
Principal	6,869	2,600,482	2,607,351
Interest	878	212,274	213,152
Capital outlay	2,192,360	33,323,515	35,515,875
TOTAL EXPENDITURES	<u>22,648,955</u>	<u>36,582,606</u>	<u>59,231,561</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(384,457)</u>	<u>(16,826,856)</u>	<u>(17,211,313)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	912,846	11,524,212	12,437,058
Transfers (out)	(1,904,333)	(14,968,778)	(16,873,111)
Sale of capital assets	224,211	364,378	588,589
Lease proceeds	-	30,595	30,595
Issuance of long-term debt	-	18,907,261	18,907,261
TOTAL OTHER FINANCING SOURCES (USES)	<u>(767,276)</u>	<u>15,857,668</u>	<u>15,090,392</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(1,151,733)</u>	<u>(969,188)</u>	<u>(2,120,921)</u>
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED	13,319,692	37,133,811	50,453,503
CHANGE WITHIN THE REPORTING ENTITY	279,349	-	279,349
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	<u>13,599,041</u>	<u>37,133,811</u>	<u>50,732,852</u>
FUND BALANCE - END OF YEAR	<u>\$ 12,447,308</u>	<u>\$ 36,164,623</u>	<u>\$ 48,611,931</u>

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2024

	STATE GRANTS	FEDERAL GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
ASSETS										
Cash and investments	\$ 307,704	\$ 6,349,894	\$ 145,930	\$ 2,094,685	\$ 224,929	\$ 116,653	\$ 367,350	\$ 6,234,116	\$ 2,407,267	\$ 18,248,528
Receivable										
Taxes	-	-	-	-	-	-	300,486	-	-	300,486
Accounts and other	1,954	14,530	50,000	-	191,375	106,715	900	527,886	-	893,360
Special assessments	-	-	-	-	-	-	498,863	-	-	498,863
Loan	-	-	-	-	-	-	-	2,821,819	-	2,821,819
Due from other governments	60,103	208,529	-	-	-	871,543	-	18,379	-	1,158,554
Inventories	-	-	-	-	27,349	229,790	-	-	-	257,139
Prepays	355	-	-	-	493,906	3,028	-	78,505	-	575,794
Leases receivable	-	-	-	-	-	-	-	2,768,819	-	2,768,819
Advances to other funds	-	-	-	-	-	-	-	127,802	-	127,802
TOTAL ASSETS	\$ 370,116	\$ 6,572,953	\$ 195,930	\$ 2,094,685	\$ 937,559	\$ 1,327,729	\$ 1,167,599	\$ 12,577,326	\$ 2,407,267	\$ 27,651,164
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 41	\$ 541,055	\$ 600	\$ -	\$ 84,294	\$ 63,352	\$ 1,335	\$ 204,301	\$ -	\$ 894,978
Accrued expenses										
Payroll	-	6,925	-	-	60,823	145,323	-	-	-	213,071
Interest	-	-	-	-	-	-	-	1	-	1
Due to other governments	-	-	-	-	-	678,481	-	19,884	-	698,365
Deposit payable	-	-	-	-	-	-	-	64,206	-	64,206
Unearned revenue - other	33,930	5,770,990	195,330	-	475,017	40,795	-	3,213,650	-	9,729,712
Advances from other funds	-	-	-	-	-	202,692	-	160,000	-	362,692
TOTAL LIABILITIES	33,971	6,318,970	195,930	-	620,134	1,130,643	1,335	3,662,042	-	11,963,025
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - tax roll	-	-	-	-	-	-	86,936	-	-	86,936
Unavailable revenue - special assessments	-	-	-	-	-	-	472,928	-	-	472,928
Leases	-	-	-	-	-	-	-	2,680,967	-	2,680,967
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	559,864	2,680,967	-	3,240,831
FUND BALANCES										
Nonspendable	355	-	-	-	521,255	232,818	-	206,307	-	960,735
Restricted	-	253,983	-	-	-	-	-	-	-	253,983
Committed	335,790	-	-	2,094,685	-	-	606,400	6,028,010	2,407,267	11,472,152
Unassigned	-	-	-	-	(203,830)	(35,732)	-	-	-	(239,562)
TOTAL FUND BALANCES	336,145	253,983	-	2,094,685	317,425	197,086	606,400	6,234,317	2,407,267	12,447,308
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 370,116	\$ 6,572,953	\$ 195,930	\$ 2,094,685	\$ 937,559	\$ 1,327,729	\$ 1,167,599	\$ 12,577,326	\$ 2,407,267	\$ 27,651,164

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2024

	STATE GRANTS	FEDERAL GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 237,233	\$ 237,233
Special assessment	-	-	-	-	-	-	222,984	-	-	222,984
Intergovernmental	473,914	4,100,542	287,969	14,600	-	5,318,634	-	98,861	-	10,294,520
Licenses and permits	-	-	-	-	-	-	-	753,096	-	753,096
Fines, forfeits, and penalties	-	-	-	-	-	-	-	800,547	-	800,547
Public charges for services	-	-	-	-	4,927,622	472,578	-	1,999,585	31,891	7,431,676
Intergovernmental charges for services	-	-	-	-	-	359,869	-	115,367	-	475,236
Miscellaneous	213,524	165,102	-	330,057	34,160	239,062	23,322	901,507	97,472	2,004,206
Change in fair value of investments	-	-	-	45,000	-	-	-	-	-	45,000
TOTAL REVENUE	687,438	4,265,644	287,969	389,657	4,961,782	6,390,143	246,306	4,668,963	366,596	22,264,498
EXPENDITURES										
Current										
General government	-	2,678,899	750	-	-	-	1,478	373,304	-	3,054,431
Public safety	345,254	489,996	-	-	-	-	-	302,003	-	1,137,253
Public works	-	-	-	-	-	6,988,198	63,656	-	-	7,051,854
Health and human services	-	-	-	-	-	-	-	170,110	-	170,110
Culture, recreation, and education	3,623	-	12,579	276,571	4,841,245	-	-	2,105,685	-	7,239,703
Conservation and development	202,568	-	218,524	-	-	-	-	1,374,405	-	1,795,497
Debt service										
Principal	-	-	-	-	-	6,015	-	854	-	6,869
Interest	-	-	-	-	-	878	-	-	-	878
Capital outlay	136,770	1,122,115	56,116	103,292	4,601	42,655	66,057	660,754	-	2,192,360
TOTAL EXPENDITURES	688,215	4,291,010	287,969	379,863	4,845,846	7,037,746	131,191	4,987,115	-	22,648,955
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	(777)	(25,366)	-	9,794	115,936	(647,603)	115,115	(318,152)	366,596	(384,457)
OTHER FINANCING SOURCES (USES)										
Transfers in	-	-	-	-	-	800,925	47,492	64,429	-	912,846
Transfers (out)	-	-	-	-	(115,937)	(55,000)	-	(1,342,295)	(391,101)	(1,904,333)
Sale of capital assets	-	-	-	-	-	-	-	224,211	-	224,211
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-	(115,937)	745,925	47,492	(1,053,655)	(391,101)	(767,276)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(777)	(25,366)	-	9,794	(1)	98,322	162,607	(1,371,807)	(24,505)	(1,151,733)
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED	336,922	-	-	2,084,891	317,426	98,764	443,793	7,606,124	2,431,772	13,319,692
CHANGE WITHIN THE REPORTING ENTITY	-	279,349	-	-	-	-	-	-	-	279,349
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	336,922	279,349	-	2,084,891	317,426	98,764	443,793	7,606,124	2,431,772	13,599,041
FUND BALANCE - END OF YEAR	\$ 336,145	\$ 253,983	\$ -	\$ 2,094,685	\$ 317,425	\$ 197,086	\$ 606,400	\$ 6,234,317	\$ 2,407,267	\$ 12,447,308

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2024

ASSETS	CAPITAL PROJECTS	CAPITAL BONDS	CAPITAL NOTES	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
Cash and investments	\$ 189,245	\$ 2,487,441	\$ 14,150,369	\$ 166,933	\$ 3,787,102	\$ 19,028	\$ 7,237,967	\$ 985,366	\$ 521,124	\$ 133,731	\$ 1,588,608
Receivable											
Taxes	-	-	-	315,721	4,330,124	591,723	2,742,415	1,602,358	1,238,741	742,759	1,749,466
Accounts and other	-	-	-	-	16,261	-	6,182	22,635	27,665	-	-
Loan	-	-	-	-	67,392	-	37,607	235,650	276,655	-	-
Prepays	-	-	12,000	-	200	-	-	18,000	-	-	-
Leases receivable	-	-	-	-	-	-	216,462	-	-	-	-
Advances to other funds	-	-	-	-	20,000	-	-	-	-	-	-
TOTAL ASSETS	\$ 189,245	\$ 2,487,441	\$ 14,162,369	\$ 482,654	\$ 8,221,079	\$ 610,751	\$ 10,240,633	\$ 2,864,009	\$ 2,064,185	\$ 876,490	\$ 3,338,074
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES											
LIABILITIES											
Accounts payable	\$ 109,914	\$ 24,734	\$ 653,414	\$ 952	\$ 73,501	\$ -	\$ 76,649	\$ 36,000	\$ 15,722	\$ -	\$ 9,440
Accrued expenses											
Interest	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	74,131	-	41,368	258,285	304,320	-	-
Advances from other funds	-	-	-	202,364	2,000,000	214,115	-	-	-	-	-
TOTAL LIABILITIES	<u>109,914</u>	<u>24,734</u>	<u>653,414</u>	<u>203,316</u>	<u>2,147,632</u>	<u>214,115</u>	<u>118,017</u>	<u>294,285</u>	<u>320,042</u>	<u>-</u>	<u>9,440</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - tax roll	-	-	-	315,721	4,330,124	591,723	2,742,415	1,602,358	1,238,741	742,759	1,749,466
Leases	-	-	-	-	-	-	211,538	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>-</u>	<u>-</u>	<u>-</u>	<u>315,721</u>	<u>4,330,124</u>	<u>591,723</u>	<u>2,953,953</u>	<u>1,602,358</u>	<u>1,238,741</u>	<u>742,759</u>	<u>1,749,466</u>
FUND BALANCES											
Nonspendable	-	-	12,000	-	20,200	-	-	18,000	-	-	-
Restricted	79,331	2,462,707	13,496,955	-	1,723,123	-	7,168,663	949,366	505,402	133,731	1,579,168
Unassigned	-	-	-	(36,383)	-	(195,087)	-	-	-	-	-
TOTAL FUND BALANCES	<u>79,331</u>	<u>2,462,707</u>	<u>13,508,955</u>	<u>(36,383)</u>	<u>1,743,323</u>	<u>(195,087)</u>	<u>7,168,663</u>	<u>967,366</u>	<u>505,402</u>	<u>133,731</u>	<u>1,579,168</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 189,245	\$ 2,487,441	\$ 14,162,369	\$ 482,654	\$ 8,221,079	\$ 610,751	\$ 10,240,633	\$ 2,864,009	\$ 2,064,185	\$ 876,490	\$ 3,338,074

(Continued on page 80)

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR CAPITAL PROJECT FUNDS - Continued
DECEMBER 31, 2024

<u>ASSETS</u>	<u>TIF 18</u>	<u>TIF 19</u>	<u>TIF 20</u>	<u>TIF 21</u>	<u>CAPITAL EQUIPMENT</u>	<u>BUILDINGS AND LAND CAPITAL PROJECTS</u>	<u>FLOODPLAIN CONTROL</u>	<u>HOUSING</u>	<u>PARKS AND RECREATION</u>	<u>ROADWAY AND INFRA- STRUCTURE</u>	<u>TOTAL NONMAJOR CAPITAL PROJECT FUNDS</u>
Cash and investments	\$ 83,611	\$ 8,438	\$ 21,214	\$ 8,247	\$ 818,070	\$ 1,541,046	\$ 42,035	\$ 216	\$ 818,545	\$ 5,466,247	\$ 40,074,583
Receivable											
Taxes	83,681	-	359	-	-	-	-	-	-	-	13,397,347
Accounts and other	209,917	-	-	-	9,063	-	-	-	-	-	291,723
Loan	550,000	-	-	-	-	-	-	-	-	-	1,167,304
Prepays	-	-	-	-	-	-	-	-	-	-	30,200
Leases receivable	-	-	-	-	-	-	-	-	-	-	216,462
Advances to other funds	-	-	-	-	-	-	-	-	-	-	20,000
TOTAL ASSETS	\$ 927,209	\$ 8,438	\$ 21,573	\$ 8,247	\$ 827,133	\$ 1,541,046	\$ 42,035	\$ 216	\$ 818,545	\$ 5,466,247	\$ 55,197,619
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES,</u>											
<u>AND FUND BALANCES</u>											
LIABILITIES											
Accounts payable	\$ 89,615	\$ -	\$ -	\$ -	\$ 1,521	\$ 32,209	\$ -	\$ -	\$ 76,204	\$ 37,734	\$ 1,237,609
Accrued expenses											
Interest	-	-	-	-	5,852	-	-	-	-	-	5,852
Due to other governments	-	-	-	-	306,150	-	-	-	-	-	306,150
Unearned revenue - other	759,917	-	-	-	-	-	-	-	-	-	1,438,021
Advances from other funds	-	10,000	-	10,000	-	-	-	-	-	-	2,436,479
TOTAL LIABILITIES	<u>849,532</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>313,523</u>	<u>32,209</u>	<u>-</u>	<u>-</u>	<u>76,204</u>	<u>37,734</u>	<u>5,424,111</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - tax roll	83,681	-	359	-	-	-	-	-	-	-	13,397,347
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-	-	211,538
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>83,681</u>	<u>-</u>	<u>359</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>13,608,885</u>
FUND BALANCES											
Nonspendable	-	-	-	-	-	-	-	-	-	-	50,200
Restricted	-	-	21,214	-	513,610	1,508,837	42,035	216	742,341	5,428,513	36,355,212
Unassigned	(6,004)	(1,562)	-	(1,753)	-	-	-	-	-	-	(240,789)
TOTAL FUND BALANCES	<u>(6,004)</u>	<u>(1,562)</u>	<u>21,214</u>	<u>(1,753)</u>	<u>513,610</u>	<u>1,508,837</u>	<u>42,035</u>	<u>216</u>	<u>742,341</u>	<u>5,428,513</u>	<u>36,164,623</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 927,209	\$ 8,438	\$ 21,573	\$ 8,247	\$ 827,133	\$ 1,541,046	\$ 42,035	\$ 216	\$ 818,545	\$ 5,466,247	\$ 55,197,619

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
YEAR ENDED DECEMBER 31, 2024

	CAPITAL PROJECTS	CAPITAL BONDS	CAPITAL NOTES	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
REVENUE											
Taxes	\$ -	\$ -	\$ -	\$ 237,641	\$ 4,709,693	\$ 584,605	\$ 3,321,676	\$ 1,748,649	\$ 1,242,969	\$ 789,594	\$ 2,121,704
Intergovernmental	-	-	-	4,956	495,845	9,488	208,099	733,821	77,240	2,102	17,393
Public charges for services	-	-	-	-	-	-	-	-	19,861	-	-
Miscellaneous	-	-	-	9,619	232,777	8,120	331,410	118,285	71,424	27,859	113,496
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>252,216</u>	<u>5,438,315</u>	<u>602,213</u>	<u>3,861,185</u>	<u>2,600,755</u>	<u>1,411,494</u>	<u>819,555</u>	<u>2,252,593</u>
EXPENDITURES											
Current											
General government	-	-	-	-	-	-	-	-	-	-	-
Conservation and development	-	-	130,055	26,268	31,635	26,685	29,991	27,799	27,475	26,931	28,529
Debt service											
Principal	-	-	208,118	-	-	54,839	2,105,000	-	-	98,143	119,805
Interest	-	-	-	10,570	104,467	27,358	53,466	-	-	3,435	6,082
Capital outlay	947,715	6,142,547	6,910,150	193,725	811,906	786	330,711	928,309	584,852	248,858	23,309
TOTAL EXPENDITURES	<u>947,715</u>	<u>6,142,547</u>	<u>7,248,323</u>	<u>230,563</u>	<u>948,008</u>	<u>109,668</u>	<u>2,519,168</u>	<u>956,108</u>	<u>612,327</u>	<u>377,367</u>	<u>177,725</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(947,715)</u>	<u>(6,142,547)</u>	<u>(7,248,323)</u>	<u>21,653</u>	<u>4,490,307</u>	<u>492,545</u>	<u>1,342,017</u>	<u>1,644,647</u>	<u>799,167</u>	<u>442,188</u>	<u>2,074,868</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers (out)	(47,492)	-	-	-	(3,482,006)	(305,000)	(3,007,200)	(3,233,272)	(1,520,000)	(500,000)	(2,078,031)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	18,100,647	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(47,492)</u>	<u>-</u>	<u>18,100,647</u>	<u>-</u>	<u>(3,482,006)</u>	<u>(305,000)</u>	<u>(3,007,200)</u>	<u>(3,233,272)</u>	<u>(1,520,000)</u>	<u>(500,000)</u>	<u>(2,078,031)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(995,207)</u>	<u>(6,142,547)</u>	<u>10,852,324</u>	<u>21,653</u>	<u>1,008,301</u>	<u>187,545</u>	<u>(1,665,183)</u>	<u>(1,588,625)</u>	<u>(720,833)</u>	<u>(57,812)</u>	<u>(3,163)</u>
FUND BALANCE - BEGINNING OF YEAR, AS PREVIOUSLY STATED	1,074,538	8,605,254	2,656,631	(58,036)	735,022	(382,632)	8,833,846	2,555,991	1,226,235	191,543	1,582,331
CHANGE WITHIN THE REPORTING ENTITY	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	<u>1,074,538</u>	<u>8,605,254</u>	<u>2,656,631</u>	<u>(58,036)</u>	<u>735,022</u>	<u>(382,632)</u>	<u>8,833,846</u>	<u>2,555,991</u>	<u>1,226,235</u>	<u>191,543</u>	<u>1,582,331</u>
FUND BALANCE - END OF YEAR	<u>\$ 79,331</u>	<u>\$ 2,462,707</u>	<u>\$ 13,508,955</u>	<u>\$ (36,383)</u>	<u>\$ 1,743,323</u>	<u>\$ (195,087)</u>	<u>\$ 7,168,663</u>	<u>\$ 967,366</u>	<u>\$ 505,402</u>	<u>\$ 133,731</u>	<u>\$ 1,579,168</u>

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CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS - Continued
YEAR ENDED DECEMBER 31, 2024

	TIF 18	TIF 19	TIF 20	TIF 21	CAPITAL EQUIPMENT	BUILDINGS AND LAND CAPITAL PROJECTS	FLOODPLAIN CONTROL	HOUSING	PARKS AND RECREATION	ROADWAY AND INFRA- STRUCTURE	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
REVENUE											
Taxes	\$ 11,883	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,768,414
Intergovernmental	-	-	-	-	50,108	553,266	-	-	-	1,545,469	3,697,787
Public charges for services	-	-	-	-	-	-	-	-	-	-	19,861
Miscellaneous	3,192	258	1,151	253	42,703	60,505	1,602	9	42,858	204,167	1,269,688
TOTAL REVENUE	<u>15,075</u>	<u>258</u>	<u>1,151</u>	<u>253</u>	<u>92,811</u>	<u>613,771</u>	<u>1,602</u>	<u>9</u>	<u>42,858</u>	<u>1,749,636</u>	<u>19,755,750</u>
EXPENDITURES											
Current											
General government	-	-	-	-	-	-	-	-	-	504	504
Conservation and development	80,497	483	9,483	-	-	-	-	-	-	-	445,831
Debt service											
Principal	-	-	-	-	14,577	-	-	-	-	-	2,600,482
Interest	-	522	-	522	5,852	-	-	-	-	-	212,274
Capital outlay	10,651,022	-	-	484	1,679,711	2,146,473	-	-	245,453	1,477,504	33,323,515
TOTAL EXPENDITURES	<u>10,731,519</u>	<u>1,005</u>	<u>9,483</u>	<u>1,006</u>	<u>1,700,140</u>	<u>2,146,473</u>	<u>-</u>	<u>-</u>	<u>245,453</u>	<u>1,478,008</u>	<u>36,582,606</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(10,716,444)</u>	<u>(747)</u>	<u>(8,332)</u>	<u>(753)</u>	<u>(1,607,329)</u>	<u>(1,532,702)</u>	<u>1,602</u>	<u>9</u>	<u>(202,595)</u>	<u>271,628</u>	<u>(16,826,856)</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	10,690,473	-	-	-	49,000	548,739	-	-	-	236,000	11,524,212
Transfers (out)	-	-	-	-	(86,232)	(236,000)	-	-	(237,545)	(236,000)	(14,968,778)
Sale of capital assets	-	-	-	-	364,378	-	-	-	-	-	364,378
Lease proceeds	-	-	-	-	30,595	-	-	-	-	-	30,595
Issuance of long-term debt	-	-	-	-	806,614	-	-	-	-	-	18,907,261
TOTAL OTHER FINANCING SOURCES (USES)	<u>10,690,473</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,164,355</u>	<u>312,739</u>	<u>-</u>	<u>-</u>	<u>(237,545)</u>	<u>-</u>	<u>15,857,668</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(25,971)</u>	<u>(747)</u>	<u>(8,332)</u>	<u>(753)</u>	<u>(442,974)</u>	<u>(1,219,963)</u>	<u>1,602</u>	<u>9</u>	<u>(440,140)</u>	<u>271,628</u>	<u>(969,188)</u>
FUND BALANCE - BEGINNING OF YEAR	19,967	(815)	29,546	(1,000)	956,584	2,728,800	40,433	207	1,182,481	5,156,885	37,133,811
CHANGE WITHIN THE REPORTING ENTITY	-	-	-	-	-	-	-	-	-	-	-
FUND BALANCE - BEGINNING OF YEAR, AS RESTATED	<u>19,967</u>	<u>(815)</u>	<u>29,546</u>	<u>(1,000)</u>	<u>956,584</u>	<u>2,728,800</u>	<u>40,433</u>	<u>207</u>	<u>1,182,481</u>	<u>5,156,885</u>	<u>37,133,811</u>
FUND BALANCE - END OF YEAR	<u>\$ (6,004)</u>	<u>\$ (1,562)</u>	<u>\$ 21,214</u>	<u>\$ (1,753)</u>	<u>\$ 513,610</u>	<u>\$ 1,508,837</u>	<u>\$ 42,035</u>	<u>\$ 216</u>	<u>\$ 742,341</u>	<u>\$ 5,428,513</u>	<u>\$ 36,164,623</u>

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
DECEMBER 31, 2024

<u>ASSETS</u>	<u>STOCK ROOM</u>	<u>SELF INSURED HEALTH</u>	<u>S125 FLEX SPENDING</u>	<u>LIABILITY CLAIMS</u>	<u>WORKER'S COMPENSATION</u>	<u>FUEL MANAGEMENT</u>	<u>PAYROLL LIABILITIES</u>	<u>TOTALS</u>
CURRENT ASSETS								
Cash and investments	\$ -	\$ 9,889,379	\$ 706,684	\$ 37,186	\$ 2,122,990	\$ 770,420	\$ 154,822	\$ 13,681,481
Accounts receivable								
Customer	-	44,101	14,685	-	-	5,050	765,975	829,811
Due from other governments	-	-	-	-	-	-	10,669	10,669
Inventories	134,549	-	-	-	-	67,662	-	202,211
Prepays	-	13,749	-	-	-	-	12,729	26,478
RESTRICTED ASSETS								
Cash	-	-	-	-	47,012	-	-	47,012
NONCURRENT ASSETS								
Advances to other funds	-	-	-	-	150,000	-	-	150,000
TOTAL ASSETS	\$ 134,549	\$ 9,947,229	\$ 721,369	\$ 37,186	\$ 2,320,002	\$ 843,132	\$ 944,195	\$ 14,947,662
<u>LIABILITIES AND NET POSITION</u>								
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	\$ -	\$ 5,130,580	\$ -	\$ 320,050	\$ 739,165	\$ 40,728	\$ 213,738	\$ 6,444,261
Payroll	-	26,362	-	-	-	-	-	26,362
Other	-	-	-	-	-	-	730,457	730,457
Due to other funds	32,864	-	-	-	-	-	-	32,864
Unearned revenue - other	-	44,309	-	-	-	-	-	44,309
NONCURRENT LIABILITIES								
Advances from other funds	-	-	-	150,000	-	-	-	150,000
TOTAL LIABILITIES	32,864	5,201,251	-	470,050	739,165	40,728	944,195	7,428,253
NET POSITION								
Restricted for other	-	-	-	-	47,012	-	-	47,012
Unrestricted	101,685	4,745,978	721,369	(432,864)	1,533,825	802,404	-	7,472,397
TOTAL NET POSITION	101,685	4,745,978	721,369	(432,864)	1,580,837	802,404	-	7,519,409
TOTAL LIABILITIES AND NET POSITION	\$ 134,549	\$ 9,947,229	\$ 721,369	\$ 37,186	\$ 2,320,002	\$ 843,132	\$ 944,195	\$ 14,947,662

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2024

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	TOTALS
OPERATING REVENUE							
Interdepartmental sales	\$ 185,335	\$ 12,094,864	\$ 486,967	\$ 143,875	\$ 465,716	\$ 1,057,653	\$ 14,434,410
Other revenue	21	786,119	29,676	363,584	291,239	-	1,470,639
TOTAL OPERATING REVENUE	<u>185,356</u>	<u>12,880,983</u>	<u>516,643</u>	<u>507,459</u>	<u>756,955</u>	<u>1,057,653</u>	<u>15,905,049</u>
OPERATING EXPENSES							
Plant and maintenance expenses:							
Salaries and wages	-	200,979	477,885	-	259,721	-	938,585
Supplies and expenses	-	3,745	-	-	-	1,044,091	1,047,836
TOTAL PLANT AND MAINTENANCE EXPENSES	<u>-</u>	<u>204,724</u>	<u>477,885</u>	<u>-</u>	<u>259,721</u>	<u>1,044,091</u>	<u>1,986,421</u>
GENERAL EXPENSES							
Office supplies and other expenses	187,674	2,596	-	-	-	-	190,270
Outside services employed	-	55,535	-	-	-	4,590	60,125
Insurance expense	-	2,226,438	-	372,632	3,733	-	2,602,803
Employee benefits	-	14,485,076	-	-	-	-	14,485,076
TOTAL GENERAL EXPENSES	<u>187,674</u>	<u>16,769,645</u>	<u>-</u>	<u>372,632</u>	<u>3,733</u>	<u>4,590</u>	<u>17,338,274</u>
TOTAL OPERATING EXPENSES	<u>187,674</u>	<u>16,974,369</u>	<u>477,885</u>	<u>372,632</u>	<u>263,454</u>	<u>1,048,681</u>	<u>19,324,695</u>
OPERATING INCOME (LOSS)	<u>(2,318)</u>	<u>(4,093,386)</u>	<u>38,758</u>	<u>134,827</u>	<u>493,501</u>	<u>8,972</u>	<u>(3,419,646)</u>
NONOPERATING REVENUE (EXPENSES)							
Interest income	-	455,726	25,343	-	-	26,576	507,645
CHANGE IN NET POSITION	(2,318)	(3,637,660)	64,101	134,827	493,501	35,548	(2,912,001)
NET POSITION - BEGINNING OF YEAR	104,003	8,383,638	657,268	(567,691)	1,087,336	766,856	10,431,410
NET POSITION - END OF YEAR	<u>\$ 101,685</u>	<u>\$ 4,745,978</u>	<u>\$ 721,369</u>	<u>\$ (432,864)</u>	<u>\$ 1,580,837</u>	<u>\$ 802,404</u>	<u>\$ 7,519,409</u>

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2024

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	PAYROLL LIABILITIES	TOTALS
CASH FLOWS FROM OPERATING ACTIVITIES								
Receipts from customers	\$ 21	\$ 761,385	\$ 28,196	\$ 363,584	\$ 291,239	\$ (3,879)	\$ -	\$ 1,440,546
Receipts from (payments to) municipality	226,546	12,094,864	486,967	143,875	465,716	1,057,653	(93)	14,475,528
Payments to suppliers for goods and services	(240,814)	(2,202,055)	-	(672,169)	(330,068)	(1,050,272)	-	(4,495,378)
Payments for employees wages and benefits	-	(14,659,693)	(477,885)	-	(259,721)	-	-	(15,397,299)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	(14,247)	(4,005,499)	37,278	(164,710)	167,166	3,502	(93)	(3,976,603)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES								
Advances from other funds, net	-	-	-	150,000	-	-	-	150,000
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	-	455,726	25,343	-	-	26,576	-	507,645
Advance to other funds, net	-	-	-	-	(150,000)	-	-	(150,000)
Net cash provided by (used in) investing activities	-	455,726	25,343	-	(150,000)	26,576	-	357,645
NET CHANGE IN CASH AND CASH EQUIVALENTS	(14,247)	(3,549,773)	62,621	(14,710)	17,166	30,078	(93)	(3,468,958)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	14,247	13,439,152	644,063	51,896	2,152,836	740,342	154,915	17,197,451
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 9,889,379	\$ 706,684	\$ 37,186	\$ 2,170,002	\$ 770,420	\$ 154,822	\$ 13,728,493
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>								
Operating income (loss)	\$ (2,318)	\$ (4,093,386)	\$ 38,758	\$ 134,827	\$ 493,501	\$ 8,972	\$ -	\$ (3,419,646)
Changes in assets and liabilities								
Decrease (increase) in receivables - customers	-	(24,734)	(1,480)	-	-	(3,879)	(361,638)	(391,731)
(Increase) decrease in due from other governments	-	-	-	-	-	-	(10,669)	(10,669)
Decrease (increase) in inventories	(44,436)	-	-	-	-	(22,515)	-	(66,951)
(Increase) decrease in prepaid expenses	-	(13,708)	-	-	-	-	(671)	(14,379)
Increase (decrease) in accounts payable	(357)	99,967	-	(299,537)	(326,335)	20,924	18,426	(486,912)
Increase (decrease) in payroll payable	-	26,362	-	-	-	-	-	26,362
Increase (increase) in other accrued expenses	-	-	-	-	-	-	354,459	354,459
Increase (decrease) in due to other funds	32,864	-	-	-	-	-	-	32,864
Total adjustments	(11,929)	87,887	(1,480)	(299,537)	(326,335)	(5,470)	(93)	(556,957)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ (14,247)	\$ (4,005,499)	\$ 37,278	\$ (164,710)	\$ 167,166	\$ 3,502	\$ (93)	\$ (3,976,603)
CASH AND CASH EQUIVALENTS AT END OF YEAR								
Cash and investments	\$ -	\$ 9,889,379	\$ 706,684	\$ 37,186	\$ 2,122,990	\$ 770,420	\$ 154,822	\$ 13,681,481
Restricted cash	-	-	-	-	47,012	-	-	47,012
TOTAL CASH AND CASH EQUIVALENTS	\$ -	\$ 9,889,379	\$ 706,684	\$ 37,186	\$ 2,170,002	\$ 770,420	\$ 154,822	\$ 13,728,493

CITY OF LA CROSSE, WISCONSIN
OTHER REPORT



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

To the Common Council
City of La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse (the "City") as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated July 31, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on 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 financial statements. 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
July 31, 2025