

CITY OF LA CROSSE, WISCONSIN

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS'
REPORT**

DECEMBER 31, 2025

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, 2025, 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, 2025, 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* (GAS), 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 plan 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, 2026 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, 2026

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, 2025

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, 2025. 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.

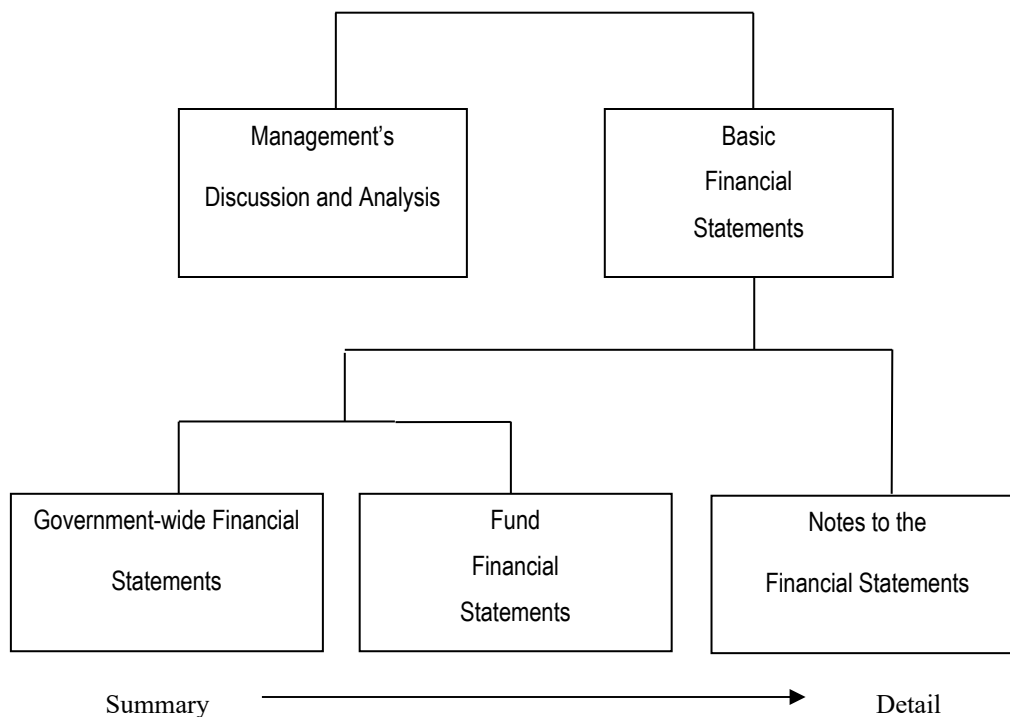
- The assets of the City of La Crosse exceeded its liabilities as of December 31, 2025 by \$591,256,987 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$34,520,650.
- As of December 31, 2025, the City of La Crosse's governmental funds reported combined ending fund balances of \$100,617,246, an increase of \$6,114,235 in comparison with the prior year. As of December 31, 2025, the unassigned fund balance for the general fund was \$19,737,456 or approximately 30.95% of total general fund expenditures.
- The City of La Crosse's total general obligation debt decreased by \$400,460 or 0.28% during 2025. This decrease is attributable to the planning and financing of future capital improvement projects. The City funded \$13,315,000 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 42 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 Fuel Management, 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 \$591,256,987 as of December 31, 2025. The City's net position increased by \$34,520,650 for the fiscal year ended December 31, 2025. 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	
	2025	2024	2025	2024	2025	2024
ASSETS						
Assets, net of Capital Assets	\$ 209,942	\$ 199,861	\$ 34,930	\$ 43,216	\$ 244,872	\$ 243,077
Capital Assets not Depreciated	53,042	64,636	104,918	104,853	157,960	169,489
Capital Assets, net of Depreciation	335,901	301,695	184,329	175,344	520,230	477,039
TOTAL ASSETS	<u>\$ 598,885</u>	<u>\$ 566,192</u>	<u>\$ 324,177</u>	<u>\$ 323,413</u>	<u>\$ 923,062</u>	<u>\$ 889,605</u>
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	28,724	39,958	2,709	3,616	31,433	43,574
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 627,609</u>	<u>\$ 606,150</u>	<u>\$ 326,886</u>	<u>\$ 327,029</u>	<u>\$ 954,495</u>	<u>\$ 933,179</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND						
LIABILITIES						
TOTAL LIABILITIES	<u>\$ 194,668</u>	<u>\$ 196,643</u>	<u>\$ 83,808</u>	<u>\$ 86,945</u>	<u>\$ 278,476</u>	<u>\$ 283,588</u>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Tax Roll	\$ 61,596	\$ 58,139	\$ 1,980	\$ 2,260	\$ 63,576	\$ 60,399
Wisconsin Retirement System Pension/OPEB	19,099	29,593	2,088	2,863	21,187	32,456
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 80,695</u>	<u>\$ 87,732</u>	<u>\$ 4,068</u>	<u>\$ 5,123</u>	<u>\$ 84,763</u>	<u>\$ 92,855</u>
NET POSITION						
Net Investment in Capital Assets	\$ 272,598	\$ 251,115	\$ 213,124	\$ 200,529	\$ 485,722	\$ 451,644
Restricted For:						
Special Revenue	1,867	1,320	-	-	1,867	1,320
Debt Service	17,435	18,145	-	-	17,435	18,145
Capital Projects	42,834	36,355	8,031	10,547	50,865	46,902
Other Activities	-	-	-	-	-	-
Unrestricted	17,512	14,840	17,855	23,885	35,367	38,725
TOTAL NET POSITION	<u>\$ 352,246</u>	<u>\$ 321,775</u>	<u>\$ 239,010</u>	<u>\$ 234,961</u>	<u>\$ 591,256</u>	<u>\$ 556,736</u>

An additional portion of the City's net position of \$70,166,851 (11.87%) represents resources that are subject to external restrictions on how they may be used.

The City's total net position increased \$34,520,650 during the year. This increase was comprised of an increase in governmental type activities of \$30,471,938 and an increase in the business type activities of \$4,048,712 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 \$30,471,938. Key elements of this increase are:

- Net Investment in Capital Assets increased by over \$21,483,000 due to increased investment in capital assets and state contributions to capital assets.
- Deferred Outflows of Resources decreased by \$11,234,000 in relation to the Wisconsin Retirement System pension.
- Actual expenditures for 2025 decreased over \$1,470,000 compared to 2025, while the revenue was over \$12,700,000 higher when compared to 2024.
- Decrease in Conservation & Development expenses from 2025 to 2024 of \$7,820,000.
- Public Safety expenditures increased \$4,519,000 in 2025 compared to 2024.
- Property Tax revenue increased over \$1,133,000 in 2025 compared to 2024.
- State Shared revenue increased over \$3,355,000 in 2025 compared to 2024.
- Grants and Contributions increased over \$1,544,000 in 2025 compared to 2024.
- Miscellaneous revenue increased \$10,159,000 in 2025 compared to 2024, mainly due to State contributions with capital projects.

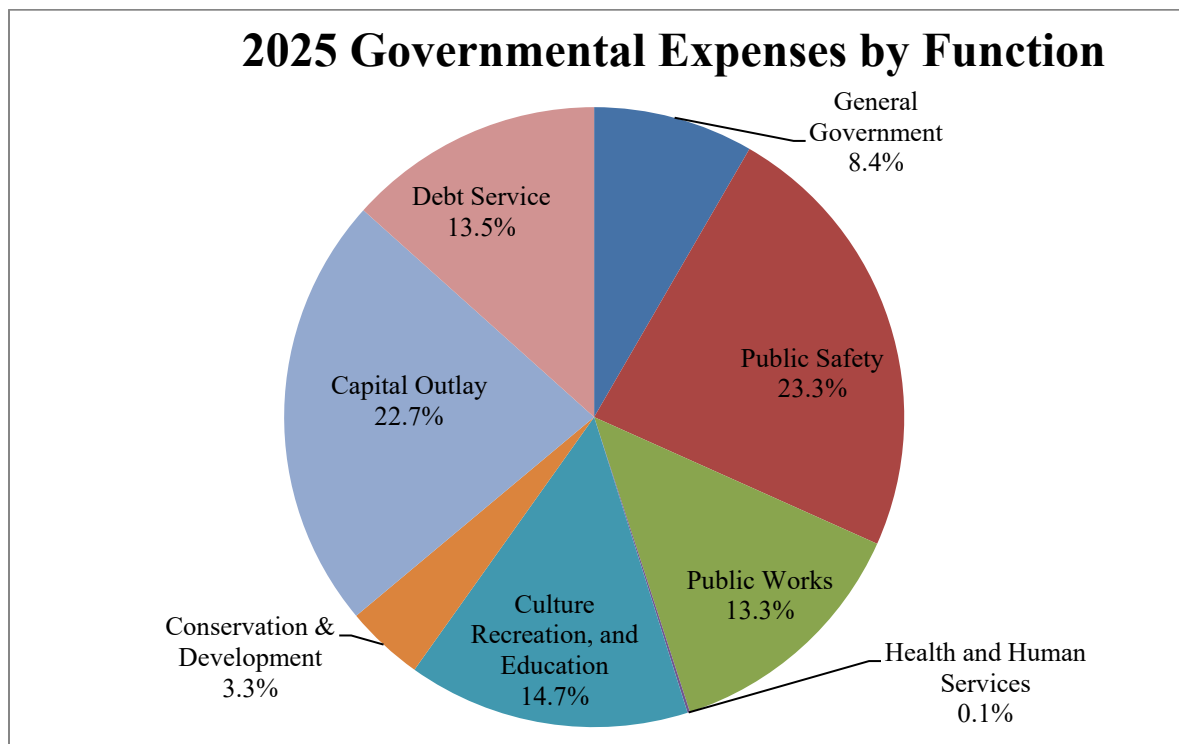
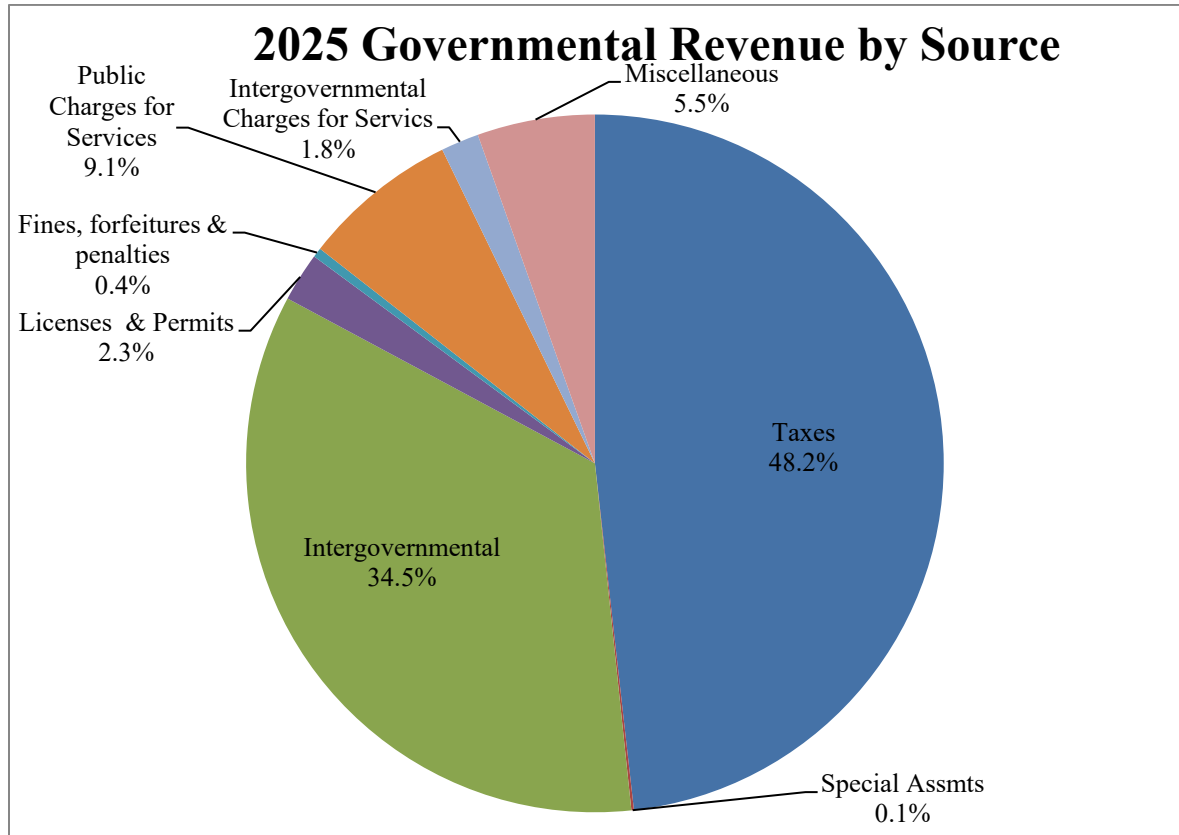
The following table represents the City's summarized operating results and their impact on net assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 15,514	\$ 19,813	\$ 30,654	\$ 29,401	\$ 46,168	\$ 49,214
Grants & Contributions	25,083	23,539	2,384	2,551	27,467	26,090
General Revenues:						
Taxes	60,447	59,314	-	-	60,447	59,314
State Shared Revenue	18,880	15,525	-	-	18,880	15,525
Interest and investment income	6,313	5,504	980	1,247	7,293	6,751
Miscellaneous	12,517	2,358	-	4	12,517	2,362
Total Revenues	<u>\$ 138,754</u>	<u>\$ 126,053</u>	<u>\$ 34,018</u>	<u>\$ 33,203</u>	<u>\$ 172,772</u>	<u>\$ 159,256</u>
Expenses:						
General Government	\$ 15,754	\$ 16,497	\$ -	\$ -	\$ 15,754	\$ 16,497
Public Safety	34,370	29,851	-	-	34,370	29,851
Public Works	27,020	23,395	-	-	27,020	23,395
Health and Human Services	170	170	-	-	170	170
Culture, Recreation and Education	23,052	24,425	-	-	23,052	24,425
Conservation & Development	5,540	13,360	-	-	5,540	13,360
Principal, Interest & Fiscal Charges	3,598	3,277	-	-	3,598	3,277
Airport	-	-	5,243	4,742	5,243	4,742
Parking	-	-	4,262	3,619	4,262	3,619
Water	-	-	5,520	4,913	5,520	4,913
Sanitary Sewer	-	-	12,097	9,665	12,097	9,665
Storm Water	-	-	2,801	2,319	2,801	2,319
Other Business-type Activities	-	-	125	94	125	94
Total Expenses	<u>\$ 109,504</u>	<u>\$ 110,975</u>	<u>\$ 30,048</u>	<u>\$ 25,352</u>	<u>\$ 139,552</u>	<u>\$ 136,327</u>
Change in Net Position before Transfers	\$ 29,250	\$ 15,078	\$ 3,970	\$ 7,851	\$ 33,220	\$ 22,929
Transfers	(78)	(103)	78	103	-	-
Change in Net Position	\$ 29,172	\$ 14,975	\$ 4,048	\$ 7,954	\$ 33,220	\$ 22,929
Net Position, beginning of year	321,774	308,884	234,962	227,080	556,736	535,964
Prior Period Adjustment/Correction	1,300	(2,085)	-	(72)	1,300	(2,157)
Equity Transfers	-	-	-	-	-	-
Net Position, end of year	<u>\$ 352,246</u>	<u>\$ 321,774</u>	<u>\$ 239,010</u>	<u>\$ 234,962</u>	<u>\$ 591,256</u>	<u>\$ 556,736</u>

Governmental Activities revenues were higher for 2025 compared to 2024 by over \$12,700,000 largely due to contributions from the WI Dept of Transportation in relation to state run highway projects and increased investment earnings. Governmental Activities expenses were lower for 2025 compared to 2024 by \$1,471,000 due to a decrease in capital outlay expenditures.

The following two charts represent revenues by source and expenses by function for the City's Governmental Activities for 2025.



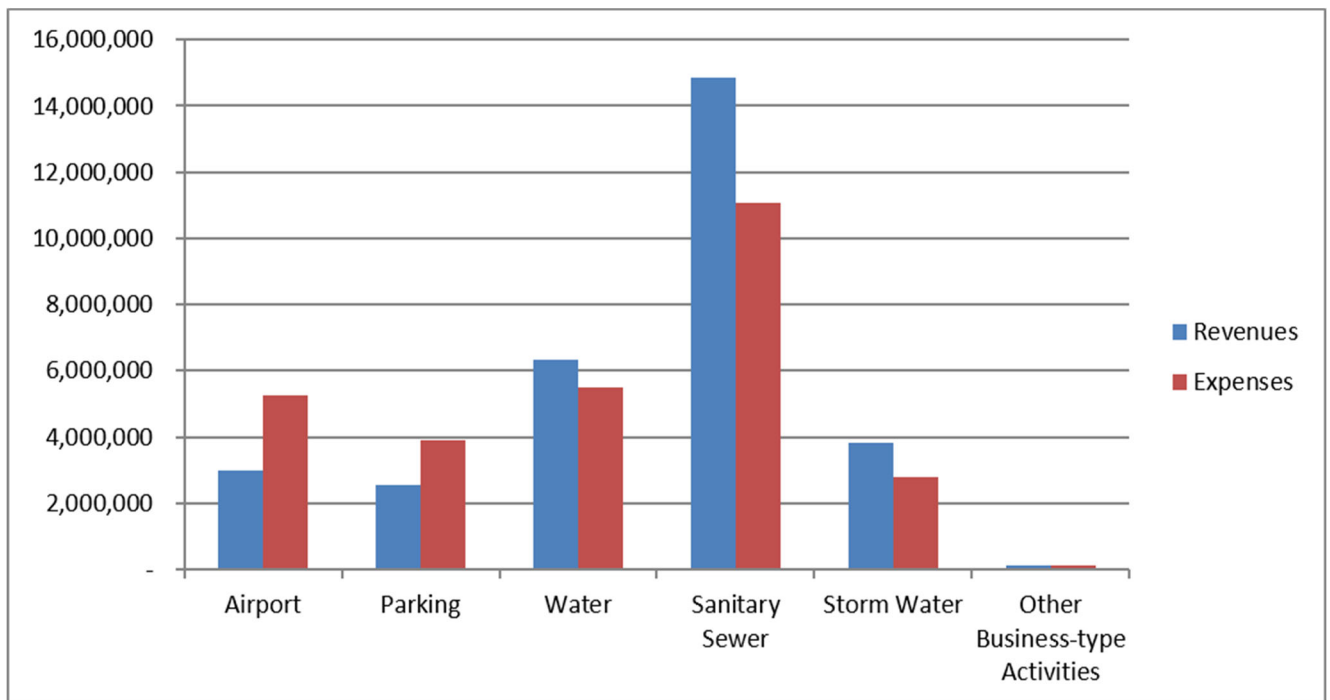
Business-type Activities

Business-type activities increased the City's net position by \$4,048,712. The major contributing factors to this increase in business-type activities are as follows:

- An increase of \$763,657 in capital assets due to ongoing infrastructure projects.
- Revenue was more than expenses among all activities by more than \$2,990,000.
- 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 to be reviewed every two years with the next review taking place in 2026.
- 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 2025 for the City's Business-Type Activities.

City of La Crosse, Wisconsin – 2025 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, 2025, the City of La Crosse's governmental funds reported combined ending fund balances of \$100,617,246. Of this amount, \$25,118,804 is attributable to the General Fund balance and is designated as follows: \$5,131,348 or approximately 20.42% is designated as Nonspendable; \$250,000 or 1.00% is designated as Committed; \$19,737,456 or approximately 78.58% is designated as Unassigned.

This Unassigned fund balance represents approximately 30.95% of total general fund expenditures for 2025. The total general fund balance decreased by \$561,678 in fiscal year 2025. Actual revenue sources exceeded the final amended budgeted revenues in the general fund by \$1,741,460 (2.47%). Actual expenditures exceeded final amended budgeted expenditures by approximately \$647,521 (1.03%). Actual other financing sources (uses) exceeded final budget by (\$1,293,730) (16.8%)

The actual revenues were higher than budgeted primarily due to:

- There was a gain in FMV of investments of \$1,415,999.
- Intergovernmental revenue from federal and state governments fell short of budget by \$1,380,768.
- Investment earnings exceeded expectation by \$716,015.

The major budget variances in the expenditure category are:

- Public Safety overspent its budget by \$804,402.
- Public Works underspent its budget by \$540,101.
- Culture, Recreation, and education actuals came in under budget by \$432,862.
- Capital outlay budgets were overspent by \$758,957.

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	
	2025	2024	2025	2024
Airport	\$ 76,275	\$ 78,125	\$ (1,850)	\$ 1,224
Parking	33,242	33,775	(533)	(141)
Water Utility	41,902	41,420	482	1,217
Sewer Utility	60,783	56,161	4,622	5,799
Storm Water Utility	24,948	23,613	1,335	216
Sanitary Sewer District	700	677	23	7
Total	\$ 237,850	\$233,771	\$ 4,079	\$ 8,322

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, 2025, is \$485,722,076 (net of accumulated depreciation), an increase of \$34,077,315 (7.54%). 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 \$21,482,790 (8.55%) increase for governmental activities and a \$12,594,526 (6.28%) increase for business-type activities.

The following capital improvement projects for 2025 are contained and financed in the City's 2025-2029 five-year Capital Improvement Program budget:

- Capital Equipment purchases for various departments - approximately \$9,359,000 major equipment includes Municipal Buses, IT Networking upgrades, and Dump Trucks.
- Various Park projects - approximately \$1,310,000. Major projects include flood levee rehabilitation and a new park shelter.
- Sanitary Sewer infrastructure improvement projects - approximately \$2,005,000.
- Storm water improvement projects - approximately \$1,114,000.
- Water improvement projects – approximately \$11,745,500 (Highway 16 Water Line, Myrick Pump Station Improvements).
- Various street, streetscaping, and infrastructure improvement projects - approximately \$10,588,000. Major projects include the reconstruction of 4 roads (6th Street S, Green Bay St., Traffic Signal Replacements, 31st Place S)
- Various Economic Development and Housing projects – approximately \$2,855,300.
- Airport facility and runway upgrades – approximately \$400,000.
- Various City Facilities Improvement projects – approximately \$5,865,000.

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

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Land Improvements	\$ 15,955	\$ 14,837	\$ 7,988	\$ 7,823	\$ 23,943	\$ 22,660
Buildings and Improvements	157,398	144,635	55,539	55,050	212,937	199,685
Machinery and Equipment	99,095	86,475	23,527	19,698	122,622	106,173
Infrastructure/systems	217,219	199,674	203,287	194,381	420,506	394,055
Construction in Progress	37,087	49,799	100,916	101,016	138,003	150,815
Capital assets being amortized	695	433	158	2	853	435
Less: Accumulated Depreciation	(138,506)	(129,360)	(102,169)	(97,772)	(240,675)	(227,132)
Total	<u>\$388,943</u>	<u>\$366,493</u>	<u>\$289,246</u>	<u>\$280,198</u>	<u>\$678,189</u>	<u>\$646,691</u>

Long-term Debt

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

At the end of the 2025 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$143,970,930 entirely backed by the full faith and credit of the government. This represents a decrease of \$400,460 compared to the total general obligation debt outstanding as of the end of fiscal year 2024. This decrease is due primarily to scheduled borrowing for equipment and capital projects.

In 2025, the City sold one new debt instrument, a G.O. Promissory Note dated August 28, 2025. The G.O. Promissory Note is a 15-year Note for \$13,315,000 at a net interest rate of 3.66%. The issuance funded a portion of the City's \$43,932,374 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 \$298,524,705 and its outstanding debt subject to State statutory limit as of December 31, 2025 is \$143,970,930 or approximately 48.23% of the statutory limit. After calculating the amounts available in the Debt Service Fund of \$18,435,290 which results in a net margin of indebtedness of \$172,989,065.

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

- The 2025 unadjusted unemployment rate for the La Crosse MSA was 3.0% compared to the State average of 3.2% and compared to the National average of 4.3%.
- Inflationary trends in the region are comparable to national indices.

State Statutory Debt Limit			
	2025		2024
State Debt Limit (5% of equalized value)	\$ 298,524,705	\$	281,923,595
Applicable long-term debt	(143,970,930)		(144,371,390)
Amount available in debt service fund	18,435,290		19,144,856
Margin of Indebtness	172,989,065		156,697,061

City Policy Debt Limit			
	2025		2024
City Debt Limit (75% of State Limit)	\$ 223,893,529	\$	211,442,696
Applicable long-term debt	(143,970,930)		(144,371,390)
Amount available in debt service fund	18,435,290		19,144,856
Margin of Indebtness	98,357,889		86,216,162

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, 2025

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
ASSETS				
Cash and investments	\$ 113,022,989	\$ 15,176,797	\$ 128,199,786	\$ 1,023,122
Receivables				
Taxes	57,536,917	848,782	58,385,699	-
Accounts and other	7,175,256	5,413,584	12,588,840	-
Special assessments	568,971	4,528	573,499	-
Loans	16,120,377	-	16,120,377	300,000
Internal balances	(718,668)	718,668	-	-
Due from other governments	6,778,337	1,435,323	8,213,660	-
Inventories	612,584	714,389	1,326,973	-
Prepays	1,251,561	628,128	1,879,689	-
Leases receivable	4,810,149	1,955,547	6,765,696	-
Restricted assets				
Cash and investments	2,783,613	8,031,062	10,814,675	-
Other assets	-	3,375	3,375	-
Capital assets (net of accumulated depreciation/amortization)				
Capital assets not being depreciated	53,042,452	104,917,604	157,960,056	29,844,247
Capital assets being depreciated	335,446,352	184,228,059	519,674,411	-
SBITA assets being amortized	455,115	101,087	556,202	-
TOTAL ASSETS	598,886,005	324,176,933	923,062,938	31,167,369
DEFERRED OUTFLOWS OF RESOURCES				
Wisconsin Retirement System pension	27,186,975	2,430,224	29,617,199	-
Wisconsin Retirement System LRLIF	1,029,103	229,495	1,258,598	-
OPEB healthcare	507,532	49,892	557,424	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	28,723,610	2,709,611	31,433,221	-
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 627,609,615	\$ 326,886,544	\$ 954,496,159	\$ 31,167,369
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION				
LIABILITIES				
Accounts payable	\$ 10,297,758	\$ 2,852,007	\$ 13,149,765	\$ -
Accrued liabilities				
Payroll	2,069,491	332,653	2,402,144	-
Interest	1,325,347	299,587	1,624,934	-
Other	2,157,371	134	2,157,505	-
Due to other governments	969,947	-	969,947	-
Deposit payable	305,060	-	305,060	-
Unearned revenue - other	3,158,763	30	3,158,793	-
Current portion of long-term obligations	23,617,985	5,593,108	29,211,093	-
Noncurrent portion of long-term obligations	150,765,872	74,730,678	225,496,550	6,890,000
TOTAL LIABILITIES	194,667,594	83,808,197	278,475,791	6,890,000
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue - tax roll	56,952,563	175,776	57,128,339	-
Leases	4,643,534	1,804,803	6,448,337	-
Wisconsin Retirement System pension	13,364,217	1,194,619	14,558,836	-
Wisconsin Retirement System LRLIF	2,639,647	588,655	3,228,302	-
OPEB healthcare	3,095,292	304,275	3,399,567	-
TOTAL DEFERRED INFLOWS OF RESOURCES	80,695,253	4,068,128	84,763,381	-
NET POSITION				
Net investment in capital assets	272,598,159	213,123,917	485,722,076	22,954,247
Restricted for				
Special revenue	1,866,828	-	1,866,828	-
Debt service	17,435,290	-	17,435,290	-
Capital projects	42,833,671	8,031,062	50,864,733	-
Unrestricted	17,512,820	17,855,240	35,368,060	1,323,122
TOTAL NET POSITION	352,246,768	239,010,219	591,256,987	24,277,369
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	\$ 627,609,615	\$ 326,886,544	\$ 954,496,159	\$ 31,167,369

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2025

		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	\$ 15,754,322	\$ 2,413,502	\$ 3,982,184	\$ -	\$ (9,358,636)		\$ (9,358,636)	
Public safety	34,370,101	1,688,190	2,772,461	-	(29,909,450)		(29,909,450)	
Public works	27,020,062	1,529,526	13,950,675	-	(11,539,861)		(11,539,861)	
Health and human services	169,526	-	-	-	(169,526)		(169,526)	
Culture, recreation and education	23,051,802	8,547,549	2,513,209	-	(11,991,044)		(11,991,044)	
Conservation and development	5,540,230	1,335,135	1,864,825	-	(2,340,270)		(2,340,270)	
Interest and fiscal charges	3,598,389	-	-	-	(3,598,389)		(3,598,389)	
TOTAL GOVERNMENTAL ACTIVITIES	109,504,432	15,513,902	25,083,354	-	(68,907,176)		(68,907,176)	
BUSINESS-TYPE ACTIVITIES								
Airport	5,243,355	2,995,191	-	71,266		\$ (2,176,898)	(2,176,898)	
Parking	4,261,812	2,549,318	-	28,159		(1,684,335)	(1,684,335)	
Water	5,519,644	6,323,163	-	411,890		1,215,409	1,215,409	
Sewer	12,097,437	14,836,138	-	1,434,414		4,173,115	4,173,115	
Storm	2,800,761	3,813,577	-	438,222		1,451,038	1,451,038	
Sanitary Sewer District	125,029	137,089	-	-		12,060	12,060	
TOTAL BUSINESS-TYPE ACTIVITIES	30,048,038	30,654,476	-	2,383,951		2,990,389	2,990,389	
TOTAL PRIMARY GOVERNMENT	\$ 139,552,470	\$ 46,168,378	\$ 25,083,354	\$ 2,383,951	(68,907,176)	2,990,389	(65,916,787)	
COMPONENT UNIT								
Redevelopment Authority	\$ 273,239	\$ -	\$ 3,206,963	\$ -				\$ 2,933,724
GENERAL REVENUE								
Taxes								
Property taxes					54,961,672	-	54,961,672	-
Other taxes					5,485,364	-	5,485,364	-
Intergovernmental revenues not restricted to specific programs					18,880,129	-	18,880,129	-
Interest and investment income					6,313,547	980,248	7,293,795	18,152
Miscellaneous					12,516,689	-	12,516,689	15,000
TRANSFERS					(78,075)	78,075	-	-
TOTAL GENERAL REVENUE AND TRANSFERS					98,079,326	1,058,323	99,137,649	33,152
CHANGE IN NET POSITION					29,172,150	4,048,712	33,220,862	2,966,876
NET POSITION - BEGINNING OF YEAR, AS PREVIOUSLY STATED					321,774,830	234,961,507	556,736,337	21,310,493
CORRECTION OF AN ERROR					1,299,788	-	1,299,788	-
NET POSITION - BEGINNING OF YEAR, AS RESTATED					323,074,618	234,961,507	558,036,125	21,310,493
NET POSITION - END OF YEAR					\$ 352,246,768	\$ 239,010,219	\$ 591,256,987	\$ 24,277,369

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, 2025

	GENERAL FUND	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<u>ASSETS</u>					
Cash and investments	\$ 20,922,696	\$ 1,233,220	\$ 17,436,120	\$ 59,834,984	\$ 99,427,020
Receivables					
Taxes	42,998,120	-	-	14,538,797	57,536,917
Accounts and other	926,803	2,768,883	289,069	1,964,824	5,949,579
Special assessments	-	-	-	568,971	568,971
Loan	-	10,337,335	1,675,000	4,108,042	16,120,377
Due from other funds	1,749,406	-	-	-	1,749,406
Due from other governments	2,014	484,393	-	6,273,297	6,759,704
Inventories	-	-	-	395,904	395,904
Prepays	683,244	-	-	556,724	1,239,968
Leases receivable	1,512,826	-	-	3,297,323	4,810,149
Advances to other funds	4,081,087	-	1,000,000	147,802	5,228,889
TOTAL ASSETS	\$ 72,876,196	\$ 14,823,831	\$ 20,400,189	\$ 91,686,668	\$ 199,786,884
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>					
LIABILITIES					
Accounts payable	\$ 1,356,266	\$ 53,150	\$ 830	\$ 2,653,381	\$ 4,063,627
Accrued expenses					
Payroll	1,808,292	157	-	261,042	2,069,491
Interest	8,892	-	-	-	8,892
Other	118,495	-	-	-	118,495
Due to other governments	911	-	-	969,036	969,947
Deposit payable	232,370	7,190	-	65,500	305,060
Unearned revenue - other	99,336	13,071,768	1,964,069	7,910,795	23,045,968
Advances from other funds	-	250,000	-	6,201,981	6,451,981
TOTAL LIABILITIES	3,624,562	13,382,265	1,964,899	18,061,735	37,033,461
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - tax roll	42,631,103	-	-	14,321,460	56,952,563
Unavailable revenue - special assessments	-	-	-	540,080	540,080
Leases	1,501,727	-	-	3,141,807	4,643,534
TOTAL DEFERRED INFLOWS OF RESOURCES	44,132,830	-	-	18,003,347	62,136,177
FUND BALANCES					
Nonspendable	5,131,348	-	1,000,000	1,100,430	7,231,778
Restricted	-	1,441,566	17,435,290	43,258,933	62,135,789
Committed	250,000	-	-	12,213,358	12,463,358
Unassigned	19,737,456	-	-	(951,135)	18,786,321
TOTAL FUND BALANCES	25,118,804	1,441,566	18,435,290	55,621,586	100,617,246
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 72,876,196	\$ 14,823,831	\$ 20,400,189	\$ 91,686,668	\$ 199,786,884

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, 2025

Fund balances - total governmental funds		\$ 100,617,246
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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	\$ 527,450,478	
Governmental accumulated depreciation and amortization	<u>(138,506,559)</u>	388,943,919

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		20,474,807
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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.

12,212,214

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.

(2,587,760)

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		8,286,654
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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	\$ (131,579,170)	
Premium	(5,920,924)	
Accrued interest	(1,316,455)	
Vested employee benefits	(3,931,923)	
Wisconsin Retirement System pension and OPEB liability	(7,921,420)	
Net OPEB liability	<u>(25,030,420)</u>	<u>(175,700,312)</u>

TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES

\$ 352,246,768

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, 2025

	GENERAL FUND	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
REVENUE					
Taxes	\$ 43,273,093	\$ -	\$ 1,700,631	\$ 15,473,312	\$ 60,447,036
Special assessment	-	-	-	148,436	148,436
Intergovernmental	20,544,266	1,222,947	-	21,488,276	43,255,489
Licenses and permits	2,026,281	-	-	822,812	2,849,093
Fines, forfeits, and penalties	2,128	-	-	549,163	551,291
Public charges for services	689,483	925,390	-	7,465,655	9,080,528
Intergovernmental charges for services	1,712,738	-	-	486,396	2,199,134
Miscellaneous	2,516,413	41,498	1,353,283	2,926,644	6,837,838
Change in fair value of investments	1,415,999	-	-	93,065	1,509,064
TOTAL REVENUE	72,180,401	2,189,835	3,053,914	49,453,759	126,877,909
EXPENDITURES					
Current					
General government	10,984,195	-	58,709	291,147	11,334,051
Public safety	30,957,562	-	-	710,727	31,668,289
Public works	10,294,553	-	-	7,759,528	18,054,081
Health and human services	-	-	-	169,526	169,526
Culture, recreation, and education	10,308,642	-	-	9,661,510	19,970,152
Conservation and development	-	1,964,011	-	3,578,286	5,542,297
Debt service					
Principal	258,717	-	12,925,555	912,810	14,097,082
Interest	9,866	-	3,626,111	160,251	3,796,228
Other	-	-	236,791	-	236,791
Capital outlay	959,057	-	-	29,842,585	30,801,642
TOTAL EXPENDITURES	63,772,592	1,964,011	16,847,166	53,086,370	135,670,139
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	8,407,809	225,824	(13,793,252)	(3,632,611)	(8,792,230)
OTHER FINANCING SOURCES (USES)					
Transfers in	2,017,542	150,000	12,012,732	7,986,946	22,167,220
Transfers (out)	(11,934,329)	-	-	(12,454,707)	(24,389,036)
Sale of capital assets	275,630	-	4,382	515,574	795,586
Lease proceeds	-	-	-	566,081	566,081
Issuance of long-term debt	-	-	63,934	14,028,372	14,092,306
Subscription-based IT arrangements	671,670	-	-	-	671,670
Premium on long-term debt	-	-	1,002,638	-	1,002,638
TOTAL OTHER FINANCING SOURCES (USES)	(8,969,487)	150,000	13,083,686	10,642,266	14,906,465
NET CHANGE IN FUND BALANCE	(561,678)	375,824	(709,566)	7,009,655	6,114,235
FUND BALANCE - BEGINNING OF YEAR	25,680,482	1,065,742	19,144,856	48,611,931	94,503,011
FUND BALANCE - END OF YEAR	\$ 25,118,804	\$ 1,441,566	\$ 18,435,290	\$ 55,621,586	\$ 100,617,246

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, 2025

Net change in fund balances - total governmental funds \$ 6,114,235

Amounts reported for governmental activities in the statement of activities are different because:

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	\$ 30,801,642	
Less noncapitalized outlay	(7,766,397)	
Donated capital outlay reported in statement of activities	10,610,189	
Depreciation and amortization expense reported in the statement of activities	(10,969,441)	
Less cost of capital assets disposed	<u>(28,163)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		22,647,830

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. (15,330,057)

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: (607,288)

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: 471,069

Wisconsin Retirement System pension asset, deferred outflows of resources, and deferred inflows of resources changes: (1,931,175)

Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes: 154,310

Other post-employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes: 2,166,073

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: 14,097,082

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: (467,393)

Net change due to internal services funds incorporated into the statement of activities:	\$ 1,927,097	
Transfers from business-type funds for internal service fund activity:	<u>30,981</u>	1,958,078

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 (1,316,455)
Interest paid is less than interest accrued by: (100,614)

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES \$ 29,172,150

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - PROPRIETARY FUNDS
DECEMBER 31, 2025

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES								
ASSETS								
CURRENT ASSETS								
Cash and investments	\$ 6,980,595	\$ 2,595,932	\$ 2,329,595	\$ 2,984,314	\$ -	\$ 286,361	\$ 15,176,797	\$ 16,334,113
Accounts receivable								-
Customer	192,234	835,387	1,809,943	1,255,063	1,037,739	124,014	5,254,380	1,225,677
Other	-	13,032	61,820	64,519	19,833	-	159,204	-
Taxes	-	175,776	306,688	243,710	122,608	-	848,782	-
Due from other governments	-	-	1,435,099	224	-	-	1,435,323	18,633
Inventories	18,412	-	6	695,971	-	-	714,389	216,680
Prepays	543,822	50,327	25,562	7,627	790	-	628,128	11,593
Restricted cash								
Cash	911,984	-	6,851,746	267,332	-	-	8,031,062	45,469
TOTAL CURRENT ASSETS	<u>8,647,047</u>	<u>3,670,454</u>	<u>12,820,459</u>	<u>5,518,760</u>	<u>1,180,970</u>	<u>410,375</u>	<u>32,248,065</u>	<u>17,852,165</u>
NONCURRENT ASSETS								
Capital assets (net of accumulated depreciation/amortization)								
Capital assets not being depreciated	23,741,610	3,774,886	71,299,759	3,805,337	2,296,012	-	104,917,604	-
Capital assets being depreciated	46,170,095	36,936,973	41,183,848	37,177,681	22,470,072	289,390	184,228,059	-
SBITA assets being amortized	11,560	-	31,888	34,430	23,209	-	101,087	-
NET CAPITAL ASSETS	<u>69,923,265</u>	<u>40,711,859</u>	<u>112,515,495</u>	<u>41,017,448</u>	<u>24,789,293</u>	<u>289,390</u>	<u>289,246,750</u>	<u>-</u>
Other assets								
Special assessments receivable	-	-	-	4,528	-	-	4,528	-
Other property	-	-	-	3,375	-	-	3,375	-
Leases receivable	1,955,547	-	-	-	-	-	1,955,547	-
Advances to other funds	-	1,000,000	20,728	202,364	-	-	1,223,092	150,000
TOTAL OTHER ASSETS	<u>1,955,547</u>	<u>1,000,000</u>	<u>20,728</u>	<u>210,267</u>	<u>-</u>	<u>-</u>	<u>3,186,542</u>	<u>150,000</u>
TOTAL NONCURRENT ASSETS	<u>71,878,812</u>	<u>41,711,859</u>	<u>112,536,223</u>	<u>41,227,715</u>	<u>24,789,293</u>	<u>289,390</u>	<u>292,433,292</u>	<u>150,000</u>
TOTAL ASSETS	<u>80,525,859</u>	<u>45,382,313</u>	<u>125,356,682</u>	<u>46,746,475</u>	<u>25,970,263</u>	<u>699,765</u>	<u>324,681,357</u>	<u>18,002,165</u>
DEFERRED OUTFLOWS OF RESOURCES								
Wisconsin Retirement System pension	448,929	311,477	735,743	640,819	293,256	-	2,430,224	-
Wisconsin Retirement System LRLIF	37,316	28,561	94,008	48,615	20,995	-	229,495	-
OPEB healthcare	4,097	9,186	7,343	29,266	-	-	49,892	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>490,342</u>	<u>349,224</u>	<u>837,094</u>	<u>718,700</u>	<u>314,251</u>	<u>-</u>	<u>2,709,611</u>	<u>-</u>
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 81,016,201</u>	<u>\$ 45,731,537</u>	<u>\$ 126,193,776</u>	<u>\$ 47,465,175</u>	<u>\$ 26,284,514</u>	<u>\$ 699,765</u>	<u>\$ 327,390,968</u>	<u>\$ 18,002,165</u>

(Continued on page 28)

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

The accompanying notes are an integral part of these statements.

DECEMBER 31, 2025

LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	INTERNAL SERVICE
LIABILITIES							
CURRENT LIABILITIES							
Accounts payable	\$ 138,931	\$ 39,068	\$ 662,461	\$ 1,759,729	\$ 251,818	\$ -	\$ 6,234,131
Accrued liabilities							
Payroll	58,842	43,660	117,083	84,222	28,846	-	-
Interest	19,218	85,608	193,303	862	596	-	-
Other	-	-	-	-	-	134	2,038,876
Due to other funds	-	-	-	946,756	717,520	-	85,130
Unearned revenue - other	30	-	-	-	-	-	47,522
Current portion of long-term obligations	472,312	984,324	3,715,043	409,481	11,948	-	-
TOTAL CURRENT LIABILITIES	689,333	1,152,660	4,687,890	3,201,050	1,010,728	134	8,405,659
NONCURRENT LIABILITIES							
Long-term obligations	1,905,522	10,878,245	60,075,153	1,743,714	128,044	-	-
Advances from other funds	-	-	-	-	-	-	150,000
TOTAL NONCURRENT LIABILITIES	1,905,522	10,878,245	60,075,153	1,743,714	128,044	-	150,000
TOTAL LIABILITIES	2,594,855	12,030,905	64,763,043	4,944,764	1,138,772	134	8,555,659
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue - tax roll	-	175,776	-	-	-	-	-
Leases	1,804,803	-	-	-	-	-	-
Wisconsin Retirement System pension	220,679	153,112	361,667	315,006	144,155	-	-
Wisconsin Retirement System LRLIF	95,715	73,259	241,131	124,697	53,853	-	-
OPEB healthcare	24,986	56,020	44,783	178,486	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	2,146,183	458,167	647,581	618,189	198,008	-	-
NET POSITION							
Net investment in capital assets	68,036,723	29,508,514	49,729,788	40,782,157	24,777,345	289,390	-
Restricted for other	911,984	-	6,851,746	267,332	-	-	45,469
Unrestricted	7,326,456	3,733,951	4,201,618	852,733	170,389	410,241	9,401,037
TOTAL NET POSITION	76,275,163	33,242,465	60,783,152	41,902,222	24,947,734	699,631	9,446,506
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$ 81,016,201	\$ 45,731,537	\$ 126,193,776	\$ 47,465,175	\$ 26,284,514	\$ 699,765	\$ 18,002,165
Net position - total enterprise funds						\$ 237,850,367	
Adjustment to reflect the consolidation of internal service activities related to enterprise funds						1,159,852	
NET POSITION OF BUSINESS-TYPE ACTIVITIES						\$ 239,010,219	

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, 2025

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
OPERATING REVENUE								
Charges for services	\$ 2,962,738	\$ 2,544,015	\$ 14,370,193	\$ 6,228,659	\$ 3,790,317	\$ 137,089	\$ 30,033,011	\$ -
Interdepartmental sales	-	-	-	-	-	-	-	17,232,732
Forfeited discounts	-	-	-	58,496	-	-	58,496	-
Other revenue	7,553	5,303	477,142	35,505	23,940	-	549,443	1,654,437
TOTAL OPERATING REVENUE	<u>2,970,291</u>	<u>2,549,318</u>	<u>14,847,335</u>	<u>6,322,660</u>	<u>3,814,257</u>	<u>137,089</u>	<u>30,640,950</u>	<u>18,887,169</u>
OPERATING EXPENSES								
Plant and maintenance expenses:								
Salaries and wages	1,866,929	1,194,529	2,897,916	1,782,575	1,064,867	-	8,806,816	915,617
Power	-	-	-	313,290	-	-	313,290	-
Chemicals	-	-	-	84,955	-	-	84,955	-
Supplies and expenses	330,478	108,932	4,024,353	856,250	324,045	88,601	5,732,659	1,182,983
Repairs and maintenance	571,020	204,250	1,204,514	229,327	265,393	12,184	2,486,688	-
TOTAL PLANT AND MAINTENANCE EXPENSES	<u>2,768,427</u>	<u>1,507,711</u>	<u>8,126,783</u>	<u>3,266,397</u>	<u>1,654,305</u>	<u>100,785</u>	<u>17,424,408</u>	<u>2,098,600</u>
General expenses:								
Office supplies and other expenses	12,604	13,472	19,170	51,138	3,786	-	100,170	242,208
Outside services employed	454,993	527,091	1,434,477	501,192	527,317	22,266	3,467,336	70,276
Insurance expense	136,200	97,358	138,422	33,218	12,356	-	417,554	2,995,695
Employee benefits	-	-	-	65,646	-	-	65,646	14,088,405
Miscellaneous general expenses	(1,861)	373,810	11,081	153,447	55,010	-	591,487	-
Transportation	90,448	29,793	19,060	1,078	7,697	-	148,076	-
TOTAL GENERAL EXPENSES	<u>692,384</u>	<u>1,041,524</u>	<u>1,622,210</u>	<u>805,719</u>	<u>606,166</u>	<u>22,266</u>	<u>4,790,269</u>	<u>17,396,584</u>
Depreciation	1,706,001	1,297,220	1,282,184	1,283,098	509,625	1,978	6,080,106	-
Amortization	8,160	-	18,517	20,312	12,391	-	59,380	-
Taxes	65,820	60,878	32,992	113,365	14,428	-	287,483	-
TOTAL OPERATING EXPENSES	<u>5,240,792</u>	<u>3,907,333</u>	<u>11,082,686</u>	<u>5,488,891</u>	<u>2,796,915</u>	<u>125,029</u>	<u>28,641,646</u>	<u>19,495,184</u>
OPERATING INCOME (LOSS)	<u>(2,270,501)</u>	<u>(1,358,015)</u>	<u>3,764,649</u>	<u>833,769</u>	<u>1,017,342</u>	<u>12,060</u>	<u>1,999,304</u>	<u>(608,015)</u>
NONOPERATING REVENUE (EXPENSES)								
Interest income	321,694	121,413	344,298	180,517	1,579	10,747	980,248	385,776
Miscellaneous revenue	24,900	-	(11,197)	503	(680)	-	13,526	5,595
Sale of capital assets	69,597	(5,979)	168,860	-	-	-	232,478	-
Interest expense	(66,527)	(377,079)	(1,174,512)	(22,737)	(596)	-	(1,641,451)	-
Amortization	-	33,562	-	-	-	-	33,562	-
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>349,664</u>	<u>(228,083)</u>	<u>(672,551)</u>	<u>158,283</u>	<u>303</u>	<u>10,747</u>	<u>(381,637)</u>	<u>391,371</u>
INCOME (LOSS) BEFORE TRANSFERS AND CONTRIBUTIONS	<u>(1,920,837)</u>	<u>(1,586,098)</u>	<u>3,092,098</u>	<u>992,052</u>	<u>1,017,645</u>	<u>22,807</u>	<u>1,617,667</u>	<u>(216,644)</u>
TRANSFERS IN (OUT)	-	1,025,831	95,415	(921,928)	(121,243)	-	78,075	2,143,741
CAPITAL CONTRIBUTIONS	<u>71,266</u>	<u>28,159</u>	<u>1,434,414</u>	<u>411,890</u>	<u>438,222</u>	<u>-</u>	<u>2,383,951</u>	<u>-</u>
CHANGE IN NET POSITION	<u>(1,849,571)</u>	<u>(532,108)</u>	<u>4,621,927</u>	<u>482,014</u>	<u>1,334,624</u>	<u>22,807</u>	<u>4,079,693</u>	<u>1,927,097</u>
NET POSITION - BEGINNING OF YEAR	<u>78,124,734</u>	<u>33,774,573</u>	<u>56,161,225</u>	<u>41,420,208</u>	<u>23,613,110</u>	<u>676,824</u>	<u>233,770,674</u>	<u>7,519,409</u>
NET POSITION - END OF YEAR	<u>\$ 76,275,163</u>	<u>\$ 33,242,465</u>	<u>\$ 60,783,152</u>	<u>\$ 41,902,222</u>	<u>\$ 24,947,734</u>	<u>\$ 699,631</u>	<u>\$237,850,367</u>	<u>\$ 9,446,506</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2025

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	INTERNAL SERVICE
CASH FLOWS FROM OPERATING ACTIVITIES							
Receipts from customers	\$ 2,963,400	\$ 2,785,153	\$ 15,448,582	\$ 5,311,487	\$ 3,173,464	\$ 83,389	\$ 29,765,475
Receipts from municipality	-	7	(925,320)	1,161,096	676,806	-	912,589
Payments to suppliers for goods and services	(1,717,058)	(1,454,589)	(7,841,993)	(1,288,401)	(2,005,281)	(123,053)	(14,430,375)
Payments for employees wages and benefits	(1,636,017)	(1,177,199)	(2,708,896)	(2,041,533)	(1,066,675)	-	(8,630,320)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>(389,675)</u>	<u>153,372</u>	<u>3,972,373</u>	<u>3,142,649</u>	<u>778,314</u>	<u>(39,664)</u>	<u>7,617,369</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES							
Transfer from (to) governmental funds	-	1,025,831	95,415	(921,928)	(121,243)	-	78,075
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES							
Acquisition of property, plant and equipment	(397,130)	(57,210)	(7,605,729)	(4,814,982)	(1,084,300)	-	(13,959,351)
Retirement of long-term debt	(265,044)	(804,442)	(3,434,642)	(275,476)	(12,572)	-	(4,792,176)
Issuance of long-term debt	-	-	1,126,264	-	-	-	1,126,264
Interest paid	(68,402)	(384,179)	(1,179,573)	(21,875)	-	-	(1,654,029)
Contributed capital	71,266	28,159	1,434,414	411,890	438,222	-	2,383,951
NET CASH PROVIDED BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(659,310)</u>	<u>(1,217,672)</u>	<u>(9,659,266)</u>	<u>(4,700,443)</u>	<u>(658,650)</u>	<u>-</u>	<u>(16,895,341)</u>
CASH FLOWS FROM INVESTING ACTIVITIES							
Interest received	321,694	154,975	344,298	180,517	1,579	10,747	1,013,810
NET CHANGE IN CASH AND CASH EQUIVALENTS	<u>(727,291)</u>	<u>116,506</u>	<u>(5,247,180)</u>	<u>(2,299,205)</u>	<u>-</u>	<u>(28,917)</u>	<u>(8,186,087)</u>
CASH AND CASH EQUIVALENTS - BEGINNING 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>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 7,892,579</u>	<u>\$ 2,595,932</u>	<u>\$ 9,181,341</u>	<u>\$ 3,251,646</u>	<u>\$ -</u>	<u>\$ 286,361</u>	<u>\$ 23,207,859</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities							
Operating (loss) income	\$ (2,270,501)	\$ (1,358,015)	\$ 3,764,649	\$ 833,769	\$ 1,017,342	\$ 12,060	\$ 1,999,304
Adjustments to reconcile operating income (loss) to net cash flows from operating activities							
Depreciation	1,706,001	1,297,220	1,300,701	1,303,410	522,016	1,978	6,131,326
Changes in assets and liabilities							
Decrease (increase) in assets							
Receivables - customers	(6,921)	239,455	1,055,675	73,777	(620,622)	(53,700)	687,664
Receivables - other	-	(3,620)	52,255	29,879	(20,171)	-	58,343
Due from other governments	-	7	(1,432,003)	397	-	-	(1,431,599)
Inventories	(1,196)	-	-	(120,233)	-	-	(121,429)
Prepaid expenses	(20,190)	(49,769)	(20,159)	13,225	2,157	-	(74,736)
Leases receivable	242,356	-	-	-	-	-	242,356
Wisconsin Retirement System pension	24,090	21,925	(17,296)	97,086	21,686	-	147,491
Wisconsin Retirement System LRLIF	179,609	13,488	228,174	(146,583)	(30,170)	-	244,518
OPEB healthcare	(28,005)	(56,761)	(84,220)	(198,529)	-	-	(367,515)
Decrease (increase) in liabilities							
Accounts payable	9,594	10,764	(937,765)	1,155,867	(797,406)	(2)	(558,948)
Payroll payable	9,696	6,604	40,923	10,857	6,676	-	74,756
Other accrued expenses	45,552	32,074	21,439	43,857	-	-	142,922
Due to other funds	-	-	-	45,870	676,806	-	722,676
Deferred inflows of resources - leases	(279,760)	-	-	-	-	-	(279,760)
Total adjustments	<u>1,880,826</u>	<u>1,511,387</u>	<u>207,724</u>	<u>2,308,880</u>	<u>(239,028)</u>	<u>(51,724)</u>	<u>5,618,065</u>
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	<u>\$ (389,675)</u>	<u>\$ 153,372</u>	<u>\$ 3,972,373</u>	<u>\$ 3,142,649</u>	<u>\$ 778,314</u>	<u>\$ (39,664)</u>	<u>\$ 7,617,369</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR							
Cash and investments	\$ 6,980,595	\$ 2,595,932	\$ 2,329,595	\$ 2,984,314	\$ -	\$ 286,361	\$ 15,176,797
Restricted cash	911,984	-	6,851,746	267,332	-	-	8,031,062
TOTAL CASH AND CASH EQUIVALENTS	<u>\$ 7,892,579</u>	<u>\$ 2,595,932</u>	<u>\$ 9,181,341</u>	<u>\$ 3,251,646</u>	<u>\$ -</u>	<u>\$ 286,361</u>	<u>\$ 23,207,859</u>

The accompanying notes are an integral part of these statements.

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION
FIDUCIARY FUND
DECEMBER 31, 2025

<u>ASSETS</u>	<u>CUSTODIAL FUNDS</u>
Cash and investments	\$ 36,142,076
Taxes receivable	20,103,152
Accounts receivable	<u>2,815</u>
TOTAL ASSETS	<u>\$ 56,248,043</u>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 29,000
Due to other governments	36,011,333
Due to others	<u>116,659</u>
TOTAL LIABILITIES	<u>36,156,992</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>20,103,152</u>
NET POSITION	
Restricted for other governments	<u>(12,101)</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	<u>\$ 56,248,043</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, 2025

	<u>CUSTODIAL FUNDS</u>
ADDITIONS	
Collections for other governments	<u>\$ 52,297,049</u>
DEDUCTIONS	
Payments to other governments	52,297,049
Payments to others	<u>(5,206)</u>
TOTAL DEDUCTIONS	<u>52,291,843</u>
CHANGE IN NET POSITION	5,206
NET POSITION - BEGINNING OF YEAR	<u>(17,307)</u>
NET POSITION - END OF YEAR	<u>\$ (12,101)</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, 2025

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 (the "Authority") 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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

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, 2025

NOTE 1 - Summary of Significant Accounting Policies - Continued

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, 2025

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, 2026, the date which the financial statements were available to be issued.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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, 2025, 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	\$ 51,623,138
Government Securities	More than one year	46,747,532
Repurchase Agreements	Less than one year	11,686,375
Corporate Bonds	More than one year	10,566,406
Bond Mutual Funds	Less than one year	1,312,803
Equity Mutual Funds	Less than one year	669,804
TOTAL		<u>\$ 122,606,058</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, 2025, 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, 2025. 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, 2025

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, 2025, \$37,847,691 of the City's and the Component Unit's bank balance of \$51,508,635 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's and the Component Unit's name	\$ 37,779,643
Uninsured, uncollateralized	68,048
TOTAL	<u>\$ 37,847,691</u>

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, 2025, \$11,686,375 of the City's investments subject to custodial credit risk of \$11,686,375 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name	<u>\$ 11,686,375</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 2025 tax roll (levied for 2026) 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.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 4 - Rehabilitation Loans - Continued

The loans activity for the year was as follows:

	BALANCES 1/1/25	ADDITIONS	PAYMENTS, FORGIVENESS & FORECLOSURES	BALANCES 12/31/25
<u>PRIMARY GOVERNMENT</u>				
Housing Rehabilitation	\$ 12,000	\$ -	\$ (1,500)	\$ 10,500
HOME Program	1,724,699	-	(46,924)	1,677,775
NSP Program	33,300	-	-	33,300
Replacement Housing	4,115,137	428,250	(21,000)	4,522,387
TID #11	67,392	-	-	67,392
TID #14	235,650	-	-	235,650
TID #15	276,655	-	(13,525)	263,130
Economic Development	4,806,716	208,827	(233,114)	4,782,429
TID #13	37,607	-	-	37,607
Residential Rehabilitation	4,067,354	133,912	(261,059)	3,940,207
TID #18	550,000	-	-	550,000
TOTAL	<u>\$ 15,926,510</u>	<u>\$ 770,989</u>	<u>\$ (577,122)</u>	<u>\$ 16,120,377</u>

Interest receivable of \$3,698,025 associated with these loans is included in the Accounts and Other Receivable line of the balance sheet.

	BALANCE 1/1/25	ADDITIONS	PAYMENTS FORGIVENESS FORECLOSURES	BALANCE 12/31/25
<u>COMPONENT UNIT</u>				
Economic Development	<u>\$ 300,000</u>	<u>\$ -</u>	<u>\$ -</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, 2025, the City's leases receivable balance of \$6,765,696 was comprised of the following:

GOVERNMENTAL ACTIVITIES

Eighteen land, building, or structure leases for which the City recognized \$416,314 of lease revenue and \$73,899 of interest revenue during the year, at interest rates ranging from 0.69% to 4.25%, with remaining lease terms ranging from 2 to 20 years. **\$ 4,810,149**

BUSINESS-TYPE ACTIVITIES

Five land, building, or structure leases for which the City recognized \$279,761 of lease revenue and \$42,005 of interest revenue during the year, at interest rates ranging from 0.83% to 2.88%, with remaining lease terms ranging from 2 to 32 years. **\$ 1,955,547**

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 6 - Capital Assets

Capital asset activity for the year ended December 31, 2025, was as follows:

GOVERNMENTAL ACTIVITIES

	BALANCES 1/1/25	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES 12/31/25
<i>Capital assets not being depreciated:</i>					
Land	\$ 14,837,094	\$ -	\$ -	\$ 1,117,961	\$ 15,955,055
Construction in progress	49,799,317	29,490,006	-	(42,201,926)	37,087,397
Total capital assets not being depreciated	64,636,411	29,490,006	-	(41,083,965)	53,042,452
<i>Capital assets being depreciated</i>					
Buildings	144,635,266	-	522,075	13,285,001	157,398,192
Infrastructure	182,615,516	-	16,254	17,328,324	199,927,586
Improvements other than buildings	17,058,390	-	17,797	251,276	17,291,869
Machinery and equipment	86,474,838	3,460,145	1,059,251	10,219,364	99,095,096
Total capital assets being depreciated	430,784,010	3,460,145	1,615,377	41,083,965	473,712,743
Less accumulated depreciation for:					
Buildings	24,215,324	1,263,787	7,872	-	25,471,239
Infrastructure	67,966,629	4,852,321	1,325,033	-	71,493,917
Improvements other than buildings	6,923,036	60,309	-	-	6,983,345
Machinery and equipment	30,254,983	4,317,313	254,406	-	34,317,890
Total accumulated depreciation	129,359,972	10,493,730	1,587,311	-	138,266,391
Total capital assets being depreciated, net	301,424,038	(7,033,585)	28,066	41,083,965	335,446,352
Capital assets being amortized					
SBITA asset	706,630	695,283	(706,630)	-	695,283
Less accumulated amortization	(435,600)	(454,336)	649,768	-	(240,168)
Total capital assets being amortized, net of accumulated amortization	271,030	240,947	(56,862)	-	455,115
GOVERNMENTAL ACTIVITIES					
CAPITAL ASSETS, NET	\$ 366,331,479	\$ 22,697,368	\$ (84,928)	\$ -	\$ 388,943,919

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

General Government	\$ 2,068,067
Law Enforcement	518,775
Fire Protection	1,134,903
Transportation/Highway	3,116,629
Transit	964,801
Storm Sewer	2,045
Sanitation	8,128
Library	260,792
La Crosse Center	1,255,105
Parks and Recreation	1,618,821
Total	\$ 10,948,066

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 6 - Capital Assets - Continued

BUSINESS-TYPE ACTIVITIES

	BALANCES 1/1/25	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES 12/31/25
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,836,692	\$ -	\$ -	\$ 164,677	\$ 4,001,369
Construction in progress	101,016,050	12,731,391	-	(12,831,206)	100,916,235
Total capital assets not being depreciated	104,852,742	12,731,391	-	(12,666,529)	104,917,604
<i>Capital assets being depreciated</i>					
Land improvements	3,986,194	-	-	-	3,986,194
Buildings	55,049,765	8,000	(295,913)	777,415	55,539,267
Equipment	19,697,568	208,101	(1,945,614)	5,567,307	23,527,362
Infrastructure	194,381,027	3,740,135	(1,155,980)	6,321,807	203,286,989
Total capital assets being depreciated	273,114,554	3,956,236	(3,397,507)	12,666,529	286,339,812
Less accumulated depreciation for:					
Land improvements	3,469,875	90,853	-	-	3,560,728
Buildings	18,026,726	1,166,643	(246,358)	138,958	19,085,969
Equipment	12,721,381	983,487	(1,185,219)	561,541	13,081,190
Infrastructure	63,554,452	4,077,883	(547,970)	(700,499)	66,383,866
Total accumulated depreciation	97,772,434	6,318,866	(1,979,547)	-	102,111,753
Total capital assets being depreciated, net accumulated depreciation	175,342,120	(2,362,630)	(1,417,960)	12,666,529	184,228,059
Capital assets being amortized:					
SBITA asset	80,817	158,604	(80,817)	-	158,604
Less accumulated amortization	(78,951)	(59,383)	80,817	-	(57,517)
Total capital assets being amortized, net of accumulated amortization	1,866	99,221	-	-	101,087

BUSINESS-TYPE ACTIVITIES

CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION	\$ 280,196,728	\$ 10,467,982	\$ (1,417,960)	\$ -	\$ 289,246,750
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Depreciation and amortization expense was charged to functions as follows:

Business-type activities	
Airport	\$ 1,714,161
Parking Utility	1,297,220
Water Utility	1,542,173
Sewer Utility	1,300,701
Storm Utility	522,016
Sanitary Sewer Utility	1,978
	6,378,249
Less: Water Utility joint metering and clearing	(238,763)
TOTAL	\$ 6,139,486

COMPONENT UNIT

	BALANCES 1/1/25	ADDITIONS	RETIREMENTS	BALANCES 12/31/25
<i>Capital assets not being depreciated:</i>				
Land	\$ 7,090,000	\$ 1,702,509	\$ -	\$ 8,792,509
Construction in progress	19,463,620	1,588,118	-	21,051,738
TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED	\$ 26,553,620	\$ 3,290,627	\$ -	\$ 29,844,247

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 7 - Long-Term Obligations

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

Summary of Long-Term Obligations

	BALANCES 1/1/25	ADDITIONS	PAYMENTS	AMOUNTS BALANCES 12/31/25	DUE WITHIN ONE YEAR
<u>GOVERNMENTAL ACTIVITIES</u>					
Bonds payable	\$109,142,693	\$ -	\$ (9,044,222)	\$100,098,471	\$ 9,256,522
Notes payable - direct borrowing	1,637,094	-	(462,639)	1,174,455	309,128
Notes payable	13,717,207	13,315,000	(2,701,223)	24,330,984	5,745,984
Loan - direct borrowing	5,589,736	1,343,387	(1,410,156)	5,522,967	1,308,102
Leases	28,678	-	(5,852)	22,826	6,008
SBITAs	266,177	671,670	(508,380)	429,467	246,783
Premium	5,453,531	1,002,638	(535,245)	5,920,924	568,173
Net OPEB obligation	25,880,484	-	(850,064)	25,030,420	2,245,362
Wisconsin retirement system:					
Net pension liability	4,154,118	424,551	-	4,578,669	-
Net OPEB liability - LRLIF	4,046,974	-	(704,223)	3,342,751	-
Employee benefits:					
Vacation pay	1,349,190	577,081	-	1,926,271	1,926,271
Sick pay	1,786,746	27,028	-	1,813,774	1,813,774
Comp pay	188,699	3,179	-	191,878	191,878
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$173,241,327</u>	<u>\$17,364,534</u>	<u>\$ (16,222,004)</u>	<u>\$174,383,857</u>	<u>\$23,617,985</u>
<u>BUSINESS-TYPE ACTIVITIES</u>					
Bonds payable - Airport	\$ 1,975,000	\$ -	\$ (215,000)	\$ 1,760,000	\$ 225,000
Bonds payable - Parking	11,280,000	-	(710,000)	10,570,000	735,000
Bonds payable - Water Utility	247,307	-	(60,778)	186,529	63,478
Notes payable - Water Utility	57,793	-	(28,777)	29,016	29,016
Revenue bonds payable - Sewer Utility	64,490,528	1,126,264	(3,232,131)	62,384,661	3,331,448
Loan - direct borrowing	724,560	-	(426,052)	298,508	184,360
SBITAs	-	158,604	(60,322)	98,282	57,706
Premium	892,149	-	(59,116)	833,033	59,117
Net OPEB Obligation	2,678,442	-	(217,888)	2,460,554	359,512
Wisconsin retirement system:					
Net pension liability	361,990	47,293	-	409,283	-
Net OPEB liability - LRLIF	681,486	63,963	-	745,449	-
Employee benefits:					
Vacation pay	154,979	132,827	-	287,806	287,806
Sick pay	215,880	17,874	-	233,754	233,754
Comp pay	34,719	-	(7,808)	26,911	26,911
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 83,794,833</u>	<u>\$ 1,546,825</u>	<u>\$ (5,017,872)</u>	<u>\$ 80,323,786</u>	<u>\$ 5,593,108</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, 2025

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, 2025, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/25</u>
Bonds Payable				
GO Bonds Payable A	2012	2.000 - 3.000	2026	\$ 375,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	765,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	520,000
GO Bonds Payable A	2017	3.000 - 5.000	2032	2,945,000
GO Bonds Payable B	2017	3.000 - 5.000	2032	1,760,000
GO Bonds Payable D	2017	3.000 - 3.500	2037	10,570,000
GO Bonds Payable A	2018	3.000 - 5.000	2033	2,120,000
GO Bonds Payable A	2019	2.125 - 5.000	2034	4,075,000
GO Bonds Payable A	2020	1.125 - 2.000	2035	4,495,000
GO Bonds Payable C	2020	0.750 - 2.350	2040	28,185,000
GO Refunding Bonds Payable D	2020	0.300 - 1.400	2031	4,350,000
GO Bonds Payable A	2021	1.670 - 4.000	2036	9,785,000
GO Bonds Payable A	2022	3.000 - 4.000	2037	9,580,000
GO Bonds Payable B	2022	3.000 - 4.000	2032	2,005,000
GO Bonds Payable A	2023	4.000	2038	10,330,000
GO Bonds Payable B	2023	4.000	2038	4,355,000
GO Bonds Payable A	2024	5.000	2039	16,400,000
TOTAL BONDS PAYABLE				<u>112,615,000</u>
Notes Payable				
State Trust Fund Loan 2015E - direct borrowing	2015	3.750	2030	318,355
GO Notes Payable A	2016	2.000	2026	605,000
GO Notes Payable C	2017	2.000 - 3.000	2027	365,000
State Trust Fund Loan 2017E - direct borrowing	2017	3.500	2027	187,109
GO Notes Payable B	2018	3.000	2028	745,000
GO Notes Payable B	2019	2.000 - 5.000	2029	595,000
GO Notes Payable B	2020	1.125 - 2.000	2030	2,235,000
GO Anticipation Notes Payable	2021	0.950	2026	2,130,000
GO Notes Payable B	2021	1.000 - 2.000	2031	2,720,000
GO Notes Payable C	2021	2.000 - 5.000	2031	1,650,000
State Trust Fund Loan - direct borrowing	2022	2.500	2027	194,863
State Trust Fund Loan A - direct borrowing	2022	3.000	2032	474,128
GO Notes Payable A	2025	4.000 - 5.000	2040	13,315,000
TOTAL NOTES PAYABLE				<u>25,534,455</u>
Loan Payable - direct borrowing				
Financed purchase - BOA Phase I & Phase II	2019	2.400	2039	3,925,218
Financial purchase - Fleet vehicles	2021-2025	8.340	2026	1,896,257
TOTAL LOANS PAYABLE				<u>5,821,475</u>
TOTAL GENERAL OBLIGATION DEBT				<u>\$ 143,970,930</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 7 - Long-Term Obligations - Continued

General Obligation Debt Limit Calculation

The 2025 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$5,970,494,100. The legal debt limit and margin of indebtedness as of December 31, 2025, in accordance with Section 67.03(1)(a) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$5,970,494,100)	\$ 298,524,705
Applicable long-term debt	(143,970,930)
Amount available in debt service fund	18,435,290
MARGIN OF INDEBTEDNESS	<u>\$ 172,989,065</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, 2025:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/25</u>
Revenue Bond				
Sewer Clean Water Fund	2022	1.576%	2041	\$ 56,754,661
Sewer Revenue Bond	2024	4.000-5.000%	2044	5,630,000
				<u>\$ 62,384,661</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, 2025, is compromised of the following individual issue:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/25</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, 2025

NOTE 7 - Long-Term Obligations - Continued

Maturities of Long-Term Obligations

Maturities of the long-term obligations at December 31, 2025, are:

<u>YEARS</u>	<u>BONDS</u>		<u>NOTES PAYABLE</u>		<u>LOANS - DIRECT BORROWING</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 10,280,000	\$ 3,252,295	\$ 6,084,128	\$ 870,548	\$ 1,492,462	\$ 195,679
2027	9,530,000	2,940,768	3,348,828	714,387	697,766	149,598
2028	9,265,000	2,648,527	2,629,189	601,954	387,279	100,940
2029	9,485,000	2,386,444	2,333,591	516,318	314,248	83,732
2030	9,625,000	2,118,507	2,243,097	441,975	299,321	72,614
2031-2035	42,795,000	6,555,670	6,185,622	1,304,362	1,470,289	231,489
2036-2040	21,635,000	1,439,146	2,710,000	299,329	1,160,110	51,821
TOTAL	<u>\$112,615,000</u>	<u>\$ 21,341,357</u>	<u>\$ 25,534,455</u>	<u>\$ 4,748,873</u>	<u>\$ 5,821,475</u>	<u>\$ 885,873</u>

GOVERNMENTAL FUND DEBT
SBITAS

<u>YEARS</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 304,489	\$ 13,345
2027	101,806	8,870
2028	92,794	3,094
2029	28,660	765
	<u>\$ 527,749</u>	<u>\$ 26,074</u>

PROPRIETARY FUND DEBT
REVENUE BONDS

<u>YEARS</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2026	\$ 3,331,448	\$ 1,124,387
2027	3,391,036	1,063,706
2028	3,451,405	1,002,939
2029	3,512,569	940,872
2030	3,574,538	877,493
2031-2035	18,866,361	3,387,304
2036-2040	20,659,100	1,583,011
2041-2045	5,598,204	164,348
	<u>\$ 62,384,661</u>	<u>\$ 10,144,060</u>

COMPONENT UNIT DEBT
REVENUE BONDS

<u>PRINCIPAL</u>	<u>INTEREST</u>
\$ 3,000,000	\$ 154,728
3,890,000	98,028
-	-
-	-
-	-
-	-
-	-
-	-
<u>\$ 6,890,000</u>	<u>\$ 252,756</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, 2025 is \$3,232,082.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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, 2025

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)
2024	3.6	15.0

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 \$4,445,903 in contributions from the employer.

Contribution rates as of December 31, 2024, are:

Employee Category	Employee	Employer
General (including teachers, executives, and elected officials)	6.90%	6.90%
Protective with Social Security	6.90%	14.30%
Protective without Social Security	6.90%	19.10%

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

At December 31, 2025, the City reported a liability (asset) of \$4,987,952 for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the City's proportion was 0.30355754 percent, which was a decrease of 0.00018811 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized pension expense of \$6,735,926.

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 9 - Wisconsin Retirement System - Continued

At December 31, 2025, 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	\$ 15,490,322	\$ 14,556,044
Net differences between projected and actual earnings on pension plan investments	7,579,458	-
Changes in assumptions	1,480,022	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	65,855	2,792
Employer contributions subsequent to the measurement date	5,001,542	-
Total	\$ 29,617,199	\$ 14,558,836

\$5,001,542 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
2026	3,033,314
2027	10,365,477
2028	(2,548,374)
2029	(793,597)

Actuarial Assumptions - The total pension liability (asset) 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:	December 31, 2023
Measurement Date of Net Pension Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023 Published November 19, 2024
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, 2025

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, 2024)

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<u>Core Fund Asset Class</u>			
Public Equities	38	7.0	4.3
Public Fixed Income	27	6.1	3.4
Private Equity/Debt	20	9.5	6.7
Inflation Sensitive Assets	19	4.8	2.1
Real Estate	8	6.5	3.8
Leverage	(12)	3.7	1.1
Total Core Fund	100	7.5	4.8
<u>Variable Fund Asset Class</u>			
U.S. Equities	70	6.5	3.8
International Equities	30	7.4	4.7
Total Variable Fund	100	6.9	4.2
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations			
New England Pension Consultants Long-Term US CPI (Inflation) Forecast: 2.6%			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower volatility assets, such as fixed income securities. 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 6.80 percent was used to measure the Total Pension Liability for the current and prior year. The discount rate is based on the expected rate of return on pension plan investments of 6.80 percent and a municipal bond rate of 4.08 percent (Source: "20-Bond GO Index" is the Bond Buyer Index, general notes that the bonds' average quality is roughly equivalent to Moody's Investors Service's Aa2 rating and Standard and Poor's Corp's AA.). Because of the unique structure of WRS, the 6.80 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, 2025

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)	\$46,793,510	\$4,987,952	(\$24,713,696)

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, 2025, the City reported a payable of \$1,483,490 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2025.

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, 2025

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

Contribution rates as of December 31, 2024 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, 2024 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2024		
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 \$21,981 contributions from the employer.

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

At December 31, 2025, the City reported a liability (asset) of \$4,088,200 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2024, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2023 rolled forward to December 31, 2024. 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, 2024, the City's proportion was 1.04497200 percent, which was an increase of 0.017192 percent from its proportion measured as of December 31, 2023.

For the year ended December 31, 2025, the City recognized OPEB expense of \$110,936.

At December 31, 2025, 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	\$ -	\$ 425,316
Net differences between projected and actual earnings on OPEB investments	56,142	-
Changes in assumptions	1,003,128	2,292,985
Changes in proportion and differences between employer contributions and proportionate share of contributions	123,136	510,001
Employer contributions subsequent to the measurement date	76,192	-
Total	\$1,258,598	\$3,228,302

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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

\$76,192 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, 2025. 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
2026	(426,499)
2027	(591,222)
2028	(531,323)
2029	(123,885)
2030	(128,602)

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, 2024
Measurement Date of Net OPEB Liability (Asset)	December 31, 2024
Experience Study:	January 1, 2021 - December 31, 2023, Published November 19, 2024
Actuarial Cost Method:	Entry Age Normal
20 Year Tax-Exempt Municipal Bond Yield:	4.08%
Long-Term Expected Rate of Return:	4.25%
Discount Rate:	4.09%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.1% - 5.7%
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, 2021 to December 31, 2023. The Total OPEB Liability for December 31, 2024 is based upon a roll-forward of the liability calculated from the January 1, 2024 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, 2025

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

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

<u>Asset Class</u>	<u>Index</u>	<u>Target Allocation</u>	<u>Long-Term Expected Geometric Real Rate of Return</u>
US Intermediate Credit Bonds	Bloomberg US Interim Credit	40%	2.41%
US Mortgages	Bloomberg US MBS	60%	2.71%
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 4.09 percent was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 3.32 percent for the prior year. The change in the discount rate was primarily caused by the decrease in the municipal bond rate from 3.26 percent as of December 31, 2023 to 4.08 percent as of December 31, 2024. 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, 2037.

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 4.09 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 (3.09%) or 1-percentage-point higher (5.09%) than the current rate:

	1% Decrease to Discount Rate (3.09%)	Current Discount Rate (4.09%)	1% Increase To Discount Rate (5.09%)
City of La Crosse's proportionate share of the net pension liability (asset)	\$5,464,451	\$4,088,200	\$3,027,674

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, 2025

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

Payables to the OPEB Plan

At December 31, 2025, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2025.

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, 2025, the City paid \$2,604,875 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:	4.43%
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, 2025

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, 2024. Actuarial assumptions are based upon the Wisconsin Retirement System December 31, 2024 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 4.43 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>\$28,558,926</u>
Changes for the year:	
Service	617,220
Interest	1,166,578
Difference between expected and actual experience	-
Changes of assumption and other inputs	(246,874)
Benefit payments	<u>(2,604,875)</u>
NET CHANGES	<u>(1,067,951)</u>
ENDING BALANCE	<u>\$27,490,975</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	\$25,566,735	\$27,490,974	\$29,660,297

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 4.43 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 (3.43%) or 1-percentage-point higher (5.43%) than the current rate:

	1% Decrease to Discount Rate (3.43%)	Current Discount Rate (4.28%)	1% Increase to Discount Rate (5.43%)
OPEB healthcare liability	\$29,135,015	\$27,490,974	\$25,967,025

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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, 2025, the City recognized OPEB healthcare expense of \$71,286.

At December 31, 2025, 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	\$ 38,751	\$ 2,512,971
Changes in assumptions	518,673	886,596
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
Total	\$ 557,424	\$3,399,567

\$-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, 2026. 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
2026	\$(1,161,359)
2027	(993,769)
2028	(669,859)
2029	(17,157)

Payables to the OPEB Healthcare Plan - The City reported a payable of \$-0- for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended December 31, 2025.

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	\$ 946,756
General Fund	Stock Room	85,130
General Fund	Storm Utility	717,520
		\$ 1,749,406
Advances To/From Other Funds:		
General Fund	Transit	\$ 3,605,502
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
		\$ 6,601,981

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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 2025 are as follows:

	TRANSFER IN:							
	GENERAL FUND	HUD GRANTS	DEBT SERVICE	NONMAJOR GOVERNMENTAL FUNDS	PARKING UTILITY	SEWER UTILITY	INTERNAL SERVICE	TOTAL
TRANSFER OUT								
General Fund	\$ -	\$ -	\$ 8,750,000	\$ 1,040,588	\$ -	\$ -	\$ 2,143,741	\$11,934,329
Nonmajor								
Governmental								
Funds	1,070,786	150,000	3,262,732	6,946,358	1,024,831	-	-	12,454,707
Water Utility	921,928	-	-	-	-	-	-	921,928
Sewer Utility	24,828	-	-	-	1,000	95,415	-	121,243
TOTAL	<u>\$ 2,017,542</u>	<u>\$ 150,000</u>	<u>\$12,012,732</u>	<u>\$ 7,986,946</u>	<u>\$ 1,025,831</u>	<u>\$ 95,415</u>	<u>\$2,143,741</u>	<u>\$25,432,207</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	\$ 233,280
TIF District #12	Awaiting future TIF levies	102,062
TIF District #19	Awaiting future TIF levies	2,197
TIF District #21	Awaiting future TIF levies	2,395
	Total Deficits	<u>\$ 339,934</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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	\$ 683,244
General Fund	Advances to other funds	4,081,087
General Fund	Delinquent personal property tax	367,017
Capital Notes	Inventory and prepaids	25,000
La Crosse Center	Inventory and prepaids	567,527
Transit	Prepaid expenses and inventory	328,952
TIF District #11	Prepaid expenses and inventory	493
TIF District #11	Advances to other funds	20,000
TIF District #14	Prepaid expenses and inventory	9,000
Special Assigned	Prepaid expenses	21,656
Special Assigned	Advances to other funds	127,802
Debt Service	Advances to other funds	1,000,000
	Total Nonspendable	<u>\$ 7,231,778</u>
<u>Restricted</u>		
Debt Service	Future debt repayment	\$ 17,435,290
Building and Land Capital Projects	Unspent bond monies	969,342
Capital Projects	Unspent bond monies	70,685
Capital Bonds	Unspent bond monies	921,130
Capital Notes	Unspent bond monies	18,135,275
TIF District #11	Future TIF expenditures	3,626,720
TIF District #13	Future TIF expenditures	6,412,050
TIF District #14	Future TIF expenditures	1,178,281
TIF District #15	Future TIF expenditures	1,651,307
TIF District #16	Future TIF expenditures	468,716
TIF District #17	Future TIF expenditures	2,245,600
TIF District #18	Future TIF expenditures	141,672
TIF District #20	Future TIF expenditures	21,838
Capital Equipment	Unspent bond monies	935,231
Flood Plan Control	Unspent bond monies	43,541
Parks and Recreation	Unspent bond monies	387,327
Roadway and Infrastructure	Unspent bond monies	5,624,733
HUD Grants	Future loan payments	1,441,566
Housing	Future payments	223
Federal Grants	Future payments	425,262
	Total Restricted	<u>\$ 62,135,789</u>
<u>Committed</u>		
General Fund	Airport minimum revenue fund	\$ 250,000
State Grants	Future grant expenditures	36,444
Library	Future library expenditures	2,317,287
Special Assessments	Future special assessment expenditures	545,305
Special Assigned	Expenditures related to prior year budget commitments	7,049,141
Room Tax	Future room tax expenditures	2,265,181
	Total Committed	<u>\$ 12,463,358</u>
<u>Restricted - Governmental Activities</u>		
Capital Projects	Various projects	\$ 42,833,671
Debt Service	Future debt repayment	17,435,290
Special Revenue	Unspent bond monies (HUD & Federal)	1,866,828
	Total Restricted - Governmental Activities	<u>\$ 62,135,289</u>

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 13 - Net Position and Fund Balances - Continued

Restricted - Proprietary Funds and
Business-Type Activities

Airport	Restricted for future projects	\$ 911,984
Sewer	DNR replacement reserve	6,851,746
Water	Replacement fund	<u>267,332</u>
Total Restricted - Proprietary Funds and Business-Type Activities		<u>\$ 8,031,062</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 multiple construction contracts for a development project with \$1,231,391 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, 2025

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, 2025:

	#10	#11	#12	#13	#14
SOURCES OF FUNDS					
TIF tax collections	\$ 1,884,112	\$ 51,462,875	\$ 10,254,541	\$ 25,979,160	\$ 20,587,344
State shared revenue	688,807	7,535,299	212,766	3,458,155	14,792,659
Payment from other government	115,459	-	-	-	-
Sale of assets	26,806	828,002	42,200	429,933	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	26,206	848,085	35,279	1,012,652	465,246
Proceeds from long-term debt	240,750	37,061,983	7,355,928	8,586,767	1,185,993
Settlement from private	-	-	-	-	4,372,462
Transfers from other TIF's	-	400,608	748,500	2,036	5,000
TOTAL SOURCES	2,982,140	106,270,175	18,691,854	40,311,738	43,088,063
USES OF FUNDS					
Capital expenditures	2,967,937	62,958,575	9,674,942	12,960,033	19,593,917
Principal and interest on long-term debt	186,530	33,301,275	9,051,724	7,861,266	450,823
Interest on advances	60,953	1,215,826	67,250	46,157	8,781
Incentives for reverse TIF/Developer agreements	-	3,547,286	-	188,685	14,565,795
Transfers to other TIF's	-	1,600,000	-	12,843,547	7,281,466
TOTAL USES	3,215,420	102,622,962	18,793,916	33,899,688	41,900,782
FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2025	\$ (233,280)	\$ 3,647,213	\$ (102,062)	\$ 6,412,050	\$ 1,187,281
FUTURE REQUIREMENTS					
Debt service	\$ -	\$ 10,604,166	\$ 3,011,763	\$ 2,147,892	\$ 25,823
Advances from other funds	202,364	2,000,000	214,115	-	-
Interest on advances	6,415	166,425	17,818	-	-
Proceeds from other governments	351,076	-	-	-	-
Estimated payable (developer's agreement)	-	2,400,000	-	-	2,128,000
Less receivables/plus payables	39,185	190,473	-	(5,786)	(9,000)
TOTAL FUTURE REQUIREMENTS	599,040	15,361,064	3,243,696	2,142,106	2,144,823
Less cash on hand (deficit)	(8,269)	(5,837,686)	(112,053)	(6,406,264)	(1,178,281)
BALANCE TO BE COLLECTED ON TIF DISTRICT	\$ 590,771	\$ 9,523,378	\$ 3,131,643	\$ (4,264,158)	\$ 966,542
DISTRICT TERMINATION DATE	2030	2031	2032	2026	2026
2025 Tax Increment	\$ 301,286	\$ 4,475,947	\$ 605,684	\$ 3,042,073	\$ 1,810,126

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

NOTE 15 - Tax Incremental Finance Districts - Continued

	<u>#15</u>	<u>#16</u>	<u>#17</u>	<u>#18</u>	<u>#19</u>	<u>#20</u>	<u>#21</u>
SOURCES OF FUNDS							
TIF tax collections	\$ 9,054,024	\$ 2,957,331	\$ 13,232,028	\$ 109,979	\$ -	\$ 29,354	\$ -
State shared revenue	1,164,540	87,595	312,704	641	-	-	-
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	87,495	-	-	-	-	-	-
Interest income	197,290	225,067	369,855	13,913	553	3,283	540
Proceeds from long-term debt	-	1,736,875	16,190,000	-	-	-	-
Proceeds from entity	272,935	803,739	74,482	-	-	-	-
Transfers from other TIF's	-	-	-	24,748,259	10,000	10,000	-
TOTAL SOURCES	10,811,658	5,840,607	31,324,346	24,872,792	10,553	42,637	540
USES OF FUNDS							
Capital expenditures	5,197,273	3,510,633	17,676,424	24,679,188	11,799	20,799	1,984
Principal and interest on long-term debt	-	807,174	10,244,860	-	-	-	-
Interest on advances	24	25,917	428	-	951	-	951
Incentives for reverse TIF/Developer agreements	2,463,054	528,167	133,788	51,932	-	-	-
Transfers to other TIF's	1,500,000	500,000	1,023,246	-	-	-	-
TOTAL USES	9,160,351	5,371,891	29,078,746	24,731,120	12,750	20,799	2,935
FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2025	\$ 1,651,307	\$ 468,716	\$ 2,245,600	\$ 141,672	\$ (2,197)	\$ 21,838	\$ (2,395)
FUTURE REQUIREMENTS							
Debt service	\$ -	\$ -	\$ 7,277,254	\$ -	\$ -	\$ -	\$ -
Advances from other funds	-	-	-	-	10,000	-	-
Estimated payable (developer's agreement)	3,042,000	2,701,300	7,020,600	5,226,709	-	-	-
Less receivables/plus payables	10,414	4,511	59,306	5,707	-	-	10,000
TOTAL FUTURE REQUIREMENTS	3,052,414	2,705,811	14,357,160	5,232,416	10,000	-	10,000
Less cash on hand (deficit)	(1,661,721)	(473,227)	(2,304,906)	(147,379)	(7,803)	(21,838)	(7,605)
BALANCE TO BE COLLECTED OF TIF DISTRICT	\$ 1,390,693	\$ 2,232,584	\$ 12,052,254	\$ 5,085,037	\$ 2,197	\$ (21,838)	\$ 2,395
DISTRICT TERMINATION DATE	2033	2034	2035	2047	2047	2047	2050
2025 Tax Increment	\$ 1,306,799	\$ 841,566	\$ 1,743,240	\$ 92,370	\$ -	\$ -	\$ -

CITY OF LA CROSSE, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS - Continued
DECEMBER 31, 2025

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, 2024 to December 31, 2025:

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Liability</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, January 1, 2025	5,130,580	739,165	320,050
Claims and changes in estimates	12,136,878	(431,929)	800,639
Claim payments	<u>(11,790,316)</u>	<u>(6,036)</u>	<u>(714,538)</u>
LIABILITY BALANCE, DECEMBER 31, 2025	<u>\$ 5,477,142</u>	<u>\$ 301,200</u>	<u>\$ 406,151</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, 2025

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 2025, a correction of an error related to the calculation of compensated absences resulted in a restatement of beginning net position as follows:

	GOVERNMENTAL ACTIVITIES
December 31, 2024, as previously stated	\$ 321,774,830
Correction of compensated absences error	1,299,788
December 31, 2024, as restated	<u>\$ 323,074,618</u>

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, 2025

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
REVENUE				
Taxes	\$ 43,137,552	\$ 43,137,552	\$ 43,273,093	\$ 135,541
Intergovernmental	21,925,034	21,925,034	20,544,266	(1,380,768)
Licenses and permits	1,732,771	1,732,771	2,026,281	293,510
Fines, forfeits, and penalties	1,100	1,100	2,128	1,028
Public charges for services	611,347	611,347	689,483	78,136
Intergovernmental charges for services	1,428,733	1,428,733	1,712,738	284,005
Miscellaneous	1,568,154	1,602,404	2,516,413	914,009
Change in FMV of investments	-	-	1,415,999	1,415,999
TOTAL REVENUE	70,404,691	70,438,941	72,180,401	1,741,460
EXPENDITURES				
Current				
General government	11,539,005	11,195,653	10,984,195	211,458
Public safety	29,994,911	30,153,160	30,957,562	(804,402)
Public works	10,643,120	10,834,654	10,294,553	540,101
Culture, recreation, and education	10,495,539	10,741,504	10,308,642	432,862
Debt service				
Principal	-	-	258,717	(258,717)
Interest	-	-	9,866	(9,866)
Capital outlay	200,100	200,100	959,057	(758,957)
TOTAL EXPENDITURES	62,872,675	63,125,071	63,772,592	(647,521)
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	7,532,016	7,313,870	8,407,809	1,093,939
OTHER FINANCING SOURCES (USES)				
Operating transfers in	1,928,909	1,928,909	2,017,542	88,633
Operating transfers (out)	(9,495,925)	(9,639,666)	(11,934,329)	(2,294,663)
Sale of capital assets	35,000	35,000	275,630	240,630
Subscription-based IT arrangements	-	-	671,670	671,670
TOTAL OTHER FINANCING SOURCES (USES)	(7,532,016)	(7,675,757)	(8,969,487)	(1,293,730)
NET CHANGE IN FUND BALANCE	-	(361,887)	(561,678)	(199,791)
FUND BALANCE - BEGINNING OF YEAR	25,680,482	25,680,482	25,680,482	-
FUND BALANCE - END OF YEAR	\$ 25,680,482	\$ 25,318,595	\$ 25,118,804	\$ (199,791)

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, 2025

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 \$252,396 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 \$804,402, debt service by \$268,583, and capital outlay by \$758,957 for the year ended December 31, 2025. 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, 2025

SCHEDULE OF CHANGES IN THE OPEB HEALTHCARE LIABILITY AND RELATED RATIOS

	Last 10 Fiscal Years							
	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Healthcare Liability								
Service cost	\$ 617,220	\$ 610,957	\$ 820,958	\$ 1,134,196	\$ 1,353,237	\$ 1,039,468	\$ 1,665,034	\$ 1,512,531
Interest	1,166,578	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	(246,874)	6,992	622,747	(3,787,202)	(726,246)	2,816,961	879,410	(3,448,173)
Benefit payments	(2,604,876)	(2,514,241)	(2,902,093)	(2,671,599)	(3,152,716)	(3,464,664)	(4,414,782)	(4,449,578)
Other changes	-	-	-	-	-	-	(3,291)	(2,208,450)
Net Changes in Total OPEB Healthcare Liability	(1,067,952)	(5,016,116)	(70,793)	(4,082,950)	(1,793,370)	(11,853,684)	(80,951)	(15,288,484)
Total OPEB Healthcare Liability - Beginning	28,558,926	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	\$ 27,490,974	\$ 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	\$ 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	196.96%	204.61%	232.28%	232.77%	189.71%	206.68%	251.34%	251.73%

SCHEDULE OF CONTRIBUTIONS

	Last 10 Fiscal Years							
	2025	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	\$ 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	1/1/2024	1/1/2022	1/1/2022	1/1/2020	1/1/2020	1/1/2018	1/1/2018
Measurement date	12/31/2024	12/31/2024	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 preceding years.

Notes to Required Supplementary Information for the Year Ended December 31, 2025

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, 2025

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)
2024	0.30355754%	\$ 4,987,952	\$ 40,329,538	12.37%	98.79%
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%
2015	0.27169553%	4,414,500	30,422,348	14.51%	98.20%

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
2025	\$ 4,445,903	\$ (4,445,903)	\$ -	\$ 40,454,672	10.99%
2024	4,048,319	(4,048,319)	-	37,922,697	10.68%
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%
2016	2,661,909	(2,661,909)	-	30,422,348	8.75%

Notes to Required Supplementary Information for the Year Ended December 31, 2025

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

Changes of assumptions:

Based on a three-year experience study conducted in 2024 covering January 1, 2021 through December 31, 2023, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-end December 31, 2024, 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 2024 covering January 1, 2021 through December 31, 2023, the ETF Board adopted assumption changes that were used to measure the total pension liability beginning with the year-ended December 31, 2024, 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, 2025

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

	2024	2023	2022	2021	2020
Valuation Date:	December 31, 2021	December 31, 2021	December 31, 2020	December 31, 2019	December 31, 2018
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%	5.4%
Weighted Based on Assumed Rate for;					
Pre-retirement:	6.8%	6.8%	7.0%	7.0%	7.0%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	3.0%	3.0%	3.0%
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%	170.0%	1.9%	1.9%	1.9%
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 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
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.	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%)

* 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, 2025

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

	2019	2018	2017	2016	2015
Valuation Date:	December 31, 2017	December 31, 2016	December 31, 2015	December 31, 2014	December 31, 2013
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 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
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 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.

* 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, 2025

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)
2024	1.04497200%	\$ 4,088,200	\$ 35,279,000	11.59%	37.20%
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
2025	\$ 21,981	\$ (21,981)	\$ -	\$ 35,279,000	0.06%
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, 2025

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, 2025

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<u>ASSETS</u>			
Cash and investments	\$ 13,645,672	\$ 46,189,312	\$ 59,834,984
Receivable			
Taxes	319,706	14,219,091	14,538,797
Accounts and other	1,392,069	572,755	1,964,824
Special assessments	568,971	-	568,971
Loan	2,954,263	1,153,779	4,108,042
Due from other governments	6,273,297	-	6,273,297
Inventories	395,904	-	395,904
Prepays	522,231	34,493	556,724
Leases receivable	3,103,708	193,615	3,297,323
Advances to other funds	127,802	20,000	147,802
TOTAL ASSETS	<u>\$ 29,303,623</u>	<u>\$ 62,383,045</u>	<u>\$ 91,686,668</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 1,355,074	\$ 1,298,307	\$ 2,653,381
Accrued expenses			
Payroll	261,042	-	261,042
Due to other governments	698,776	270,260	969,036
Deposit payable	65,500	-	65,500
Unearned revenue - other	6,488,151	1,422,644	7,910,795
Advances from other funds	3,765,502	2,436,479	6,201,981
TOTAL LIABILITIES	<u>12,634,045</u>	<u>5,427,690</u>	<u>18,061,735</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - tax roll	102,369	14,219,091	14,321,460
Unavailable revenue - special assessments	540,080	-	540,080
Leases	2,953,773	188,034	3,141,807
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>3,596,222</u>	<u>14,407,125</u>	<u>18,003,347</u>
FUND BALANCES			
Nonspendable	1,045,937	54,493	1,100,430
Restricted	425,262	42,833,671	43,258,933
Committed	12,213,358	-	12,213,358
Unassigned	(611,201)	(339,934)	(951,135)
TOTAL FUND BALANCES	<u>13,073,356</u>	<u>42,548,230</u>	<u>55,621,586</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	<u>\$ 29,303,623</u>	<u>\$ 62,383,045</u>	<u>\$ 91,686,668</u>

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2025

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
REVENUE			
Taxes	\$ 1,779,301	\$ 13,694,011	\$ 15,473,312
Special assessment	148,436	-	148,436
Intergovernmental	13,544,224	7,944,052	21,488,276
Licenses and permits	822,812	-	822,812
Fines, forfeits, and penalties	549,163	-	549,163
Public charges for services	7,451,063	14,592	7,465,655
Intergovernmental charges for services	486,396	-	486,396
Miscellaneous	1,752,709	1,173,935	2,926,644
Change in fair value of investments	93,065	-	93,065
TOTAL REVENUE	26,627,169	22,826,590	49,453,759
EXPENDITURES			
Current			
General government	291,147	-	291,147
Public safety	708,899	1,828	710,727
Public works	7,749,723	9,805	7,759,528
Health and human services	169,526	-	169,526
Culture, recreation, and education	9,661,510	-	9,661,510
Conservation and development	2,989,350	588,936	3,578,286
Debt service			
Principal	52,284	860,526	912,810
Interest	379	159,872	160,251
Capital outlay	4,350,412	25,492,173	29,842,585
TOTAL EXPENDITURES	25,973,230	27,113,140	53,086,370
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	653,939	(4,286,550)	(3,632,611)
OTHER FINANCING SOURCES (USES)			
Transfers in	2,009,671	5,977,275	7,986,946
Transfers (out)	(2,081,884)	(10,372,823)	(12,454,707)
Sale of capital assets	44,322	471,252	515,574
Lease proceeds	-	566,081	566,081
Issuance of long-term debt	-	14,028,372	14,028,372
TOTAL OTHER FINANCING SOURCES (USES)	(27,891)	10,670,157	10,642,266
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	626,048	6,383,607	7,009,655
FUND BALANCE - BEGINNING OF YEAR	12,447,308	36,164,623	48,611,931
FUND BALANCE - END OF YEAR	\$ 13,073,356	\$ 42,548,230	\$ 55,621,586

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2025

	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	\$ 20,383	\$ 1,368,528	\$ 182,281	\$ 2,317,287	\$ 144,571	\$ 127,385	\$ 298,177	\$ 6,921,879	\$ 2,265,181	\$ 13,645,672
Receivable										
Taxes	-	-	-	-	-	-	319,706	-	-	319,706
Accounts and other	-	6,605	-	-	419,845	129,837	900	834,882	-	1,392,069
Special assessments	-	-	-	-	-	-	568,971	-	-	568,971
Loan	-	-	-	-	-	-	-	2,954,263	-	2,954,263
Due from other governments	40,658	1,996,835	-	-	-	4,225,295	-	10,509	-	6,273,297
Inventories	-	-	-	-	83,527	312,377	-	-	-	395,904
Prepays	-	-	-	-	484,000	16,575	-	21,656	-	522,231
Leases receivable	-	-	-	-	-	-	-	3,103,708	-	3,103,708
Advances to other funds	-	-	-	-	-	-	-	127,802	-	127,802
TOTAL ASSETS	\$ 61,041	\$ 3,371,968	\$ 182,281	\$ 2,317,287	\$ 1,131,943	\$ 4,811,469	\$ 1,187,754	\$ 13,974,699	\$ 2,265,181	\$ 29,303,623
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES										
LIABILITIES										
Accounts payable	\$ 3,911	\$ 766,472	\$ -	\$ -	\$ 292,110	\$ 94,702	\$ -	\$ 197,879	\$ -	\$ 1,355,074
Accrued expenses										
Payroll	-	4,901	-	-	77,747	176,651	-	1,743	-	261,042
Due to other governments	-	-	-	-	-	678,481	-	20,295	-	698,776
Deposit payable	-	-	-	-	-	-	-	65,500	-	65,500
Unearned revenue - other	20,686	2,175,333	182,281	-	689,672	43,269	-	3,376,910	-	6,488,151
Advances from other funds	-	-	-	-	-	3,605,502	-	160,000	-	3,765,502
TOTAL LIABILITIES	24,597	2,946,706	182,281	-	1,059,529	4,598,605	-	3,822,327	-	12,634,045
DEFERRED INFLOWS OF RESOURCES										
Unavailable revenue - tax roll	-	-	-	-	-	-	102,369	-	-	102,369
Unavailable revenue - special assessments	-	-	-	-	-	-	540,080	-	-	540,080
Leases	-	-	-	-	-	-	-	2,953,773	-	2,953,773
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	-	-	-	642,449	2,953,773	-	3,596,222
FUND BALANCES										
Nonspendable	-	-	-	-	567,527	328,952	-	149,458	-	1,045,937
Restricted	-	425,262	-	-	-	-	-	-	-	425,262
Committed	36,444	-	-	2,317,287	-	-	545,305	7,049,141	2,265,181	12,213,358
Unassigned	-	-	-	-	(495,113)	(116,088)	-	-	-	(611,201)
TOTAL FUND BALANCES	36,444	425,262	-	2,317,287	72,414	212,864	545,305	7,198,599	2,265,181	13,073,356
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 61,041	\$ 3,371,968	\$ 182,281	\$ 2,317,287	\$ 1,131,943	\$ 4,811,469	\$ 1,187,754	\$ 13,974,699	\$ 2,265,181	\$ 29,303,623

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
YEAR ENDED DECEMBER 31, 2025

	STATE GRANTS	FEDERAL GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
REVENUE										
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,607,017	\$ -	\$ -	\$ -	\$ 172,284	\$ 1,779,301
Special assessment	-	-	-	-	-	-	148,436	-	-	148,436
Intergovernmental	257,554	6,379,987	113,049	3,800	-	5,925,271	-	864,563	-	13,544,224
Licenses and permits	-	-	-	-	-	-	-	822,812	-	822,812
Fines, forfeits, and penalties	-	-	-	-	-	-	-	549,163	-	549,163
Public charges for services	-	-	-	-	4,887,648	480,665	-	2,062,442	20,308	7,451,063
Intergovernmental charges for services	-	-	-	-	-	359,997	-	126,399	-	486,396
Miscellaneous	36	82,742	-	323,488	207,301	237,346	20,496	794,084	87,216	1,752,709
Change in fair value of investments	-	-	-	93,065	-	-	-	-	-	93,065
TOTAL REVENUE	257,590	6,462,729	113,049	420,353	6,701,966	7,003,279	168,932	5,219,463	279,808	26,627,169
EXPENDITURES										
Current										
General government	-	110,458	-	-	-	-	-	180,689	-	291,147
Public safety	59,724	319,724	-	-	-	-	-	329,451	-	708,899
Public works	-	-	-	-	-	7,690,319	59,404	-	-	7,749,723
Health and human services	-	-	-	-	-	-	-	169,526	-	169,526
Culture, recreation, and education	17,358	-	-	199,751	7,246,451	-	-	2,197,950	-	9,661,510
Conservation and development	11,756	2,658,474	108,625	-	-	-	-	210,495	-	2,989,350
Debt service										
Principal	-	-	-	-	-	5,943	-	46,341	-	52,284
Interest	-	-	-	-	-	376	-	3	-	379
Capital outlay	26,371	3,202,794	4,424	-	-	36,788	170,623	909,412	-	4,350,412
TOTAL EXPENDITURES	115,209	6,291,450	113,049	199,751	7,246,451	7,733,426	230,027	4,043,867	-	25,973,230
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	142,381	171,279	-	220,602	(544,485)	(730,147)	(61,095)	1,175,596	279,808	653,939
OTHER FINANCING SOURCES (USES)										
Transfers in	(3,843)	-	-	-	407,657	800,925	-	804,932	-	2,009,671
Transfers (out)	(438,239)	-	-	-	(110,000)	(55,000)	-	(1,056,751)	(421,894)	(2,081,884)
Sale of capital assets	-	-	-	2,000	1,817	-	-	40,505	-	44,322
TOTAL OTHER FINANCING SOURCES (USES)	(442,082)	-	-	2,000	299,474	745,925	-	(211,314)	(421,894)	(27,891)
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(299,701)	171,279	-	222,602	(245,011)	15,778	(61,095)	964,282	(142,086)	626,048
FUND BALANCE - BEGINNING OF YEAR	336,145	253,983	-	2,094,685	317,425	197,086	606,400	6,234,317	2,407,267	12,447,308
FUND BALANCE - END OF YEAR	\$ 36,444	\$ 425,262	\$ -	\$ 2,317,287	\$ 72,414	\$ 212,864	\$ 545,305	\$ 7,198,599	\$ 2,265,181	\$ 13,073,356

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2025

<u>ASSETS</u>	<u>CAPITAL PROJECTS</u>	<u>CAPITAL BONDS</u>	<u>CAPITAL NOTES</u>	<u>TIF 10</u>	<u>TIF 11</u>	<u>TIF 12</u>	<u>TIF 13</u>	<u>TIF 14</u>	<u>TIF 15</u>	<u>TIF 16</u>	<u>TIF 17</u>
Cash and investments	\$ 70,685	\$ 932,040	\$ 18,754,391	\$ 8,269	\$ 5,837,686	\$ 112,053	\$ 6,406,264	\$ 1,178,281	\$ 1,661,721	\$ 473,227	\$ 2,304,906
Receivable											
Taxes	-	-	-	301,286	4,475,947	605,684	3,042,073	1,810,126	1,306,799	841,566	1,743,240
Accounts and other	-	-	-	-	10,752	-	3,966	22,135	26,313	-	74,482
Loan	-	-	-	-	67,392	-	37,607	235,650	263,130	-	-
Prepays	-	-	25,000	-	493	-	-	9,000	-	-	-
Leases receivable	-	-	-	-	-	-	193,615	-	-	-	-
Advances to other funds	-	-	-	-	20,000	-	-	-	-	-	-
TOTAL ASSETS	\$ 70,685	\$ 932,040	\$ 18,779,391	\$ 309,555	\$ 10,412,270	\$ 717,737	\$ 9,683,525	\$ 3,255,192	\$ 3,257,963	\$ 1,314,793	\$ 4,122,628
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>											
LIABILITIES											
Accounts payable	\$ -	\$ 10,910	\$ 619,116	\$ 39,185	\$ 214,979	\$ -	\$ -	\$ -	\$ 10,414	\$ 4,511	\$ 133,788
Accrued expenses	-	-	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	-	-	74,131	-	41,368	257,785	289,443	-	-
Advances from other funds	-	-	-	202,364	2,000,000	214,115	-	-	-	-	-
TOTAL LIABILITIES	-	10,910	619,116	241,549	2,289,110	214,115	41,368	257,785	299,857	4,511	133,788
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - tax roll	-	-	-	301,286	4,475,947	605,684	3,042,073	1,810,126	1,306,799	841,566	1,743,240
Leases	-	-	-	-	-	-	188,034	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	-	-	-	301,286	4,475,947	605,684	3,230,107	1,810,126	1,306,799	841,566	1,743,240
FUND BALANCES											
Nonspendable	-	-	25,000	-	20,493	-	-	9,000	-	-	-
Restricted	70,685	921,130	18,135,275	-	3,626,720	-	6,412,050	1,178,281	1,651,307	468,716	2,245,600
Unassigned	-	-	-	(233,280)	-	(102,062)	-	-	-	-	-
TOTAL FUND BALANCES	70,685	921,130	18,160,275	(233,280)	3,647,213	(102,062)	6,412,050	1,187,281	1,651,307	468,716	2,245,600
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 70,685	\$ 932,040	\$ 18,779,391	\$ 309,555	\$ 10,412,270	\$ 717,737	\$ 9,683,525	\$ 3,255,192	\$ 3,257,963	\$ 1,314,793	\$ 4,122,628

(Continued on page 80)

CITY OF LA CROSSE, WISCONSIN
COMBINING BALANCE SHEETS
NONMAJOR CAPITAL PROJECT FUNDS - Continued
DECEMBER 31, 2025

<u>ASSETS</u>	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
Cash and investments	\$ 147,379	\$ 7,803	\$ 21,838	\$ 7,605	\$ 1,258,395	\$ 775,204	\$ 43,541	\$ 223	\$ 488,864	\$ 5,698,937	\$ 46,189,312
Receivable											
Taxes	92,370	-	-	-	-	-	-	-	-	-	14,219,091
Accounts and other	209,917	-	-	-	190	225,000	-	-	-	-	572,755
Loan	550,000	-	-	-	-	-	-	-	-	-	1,153,779
Prepays	-	-	-	-	-	-	-	-	-	-	34,493
Leases receivable	-	-	-	-	-	-	-	-	-	-	193,615
Advances to other funds	-	-	-	-	-	-	-	-	-	-	20,000
TOTAL ASSETS	\$ 999,666	\$ 7,803	\$ 21,838	\$ 7,605	\$ 1,258,585	\$ 1,000,204	\$ 43,541	\$ 223	\$ 488,864	\$ 5,698,937	\$ 62,383,045
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>											
LIABILITIES											
Accounts payable	\$ 5,707	\$ -	\$ -	\$ -	\$ 53,094	\$ 30,862	\$ -	\$ -	\$ 101,537	\$ 74,204	\$ 1,298,307
Accrued expenses	-	-	-	-	270,260	-	-	-	-	-	270,260
Due to other governments	-	-	-	-	-	-	-	-	-	-	1,422,644
Unearned revenue - other	759,917	-	-	-	-	-	-	-	-	-	2,436,479
Advances from other funds	-	10,000	-	10,000	-	-	-	-	-	-	-
TOTAL LIABILITIES	<u>765,624</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>	<u>323,354</u>	<u>30,862</u>	<u>-</u>	<u>-</u>	<u>101,537</u>	<u>74,204</u>	<u>5,427,690</u>
DEFERRED INFLOWS OF RESOURCES											
Unavailable revenue - tax roll	92,370	-	-	-	-	-	-	-	-	-	14,219,091
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-	-	188,034
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>92,370</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,407,125</u>
FUND BALANCES											
Nonspendable	-	-	-	-	-	-	-	-	-	-	54,493
Restricted	141,672	-	21,838	-	935,231	969,342	43,541	223	387,327	5,624,733	42,833,671
Unassigned	-	(2,197)	-	(2,395)	-	-	-	-	-	-	(339,934)
TOTAL FUND BALANCES	<u>141,672</u>	<u>(2,197)</u>	<u>21,838</u>	<u>(2,395)</u>	<u>935,231</u>	<u>969,342</u>	<u>43,541</u>	<u>223</u>	<u>387,327</u>	<u>5,624,733</u>	<u>42,548,230</u>
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 999,666	\$ 7,803	\$ 21,838	\$ 7,605	\$ 1,258,585	\$ 1,000,204	\$ 43,541	\$ 223	\$ 488,864	\$ 5,698,937	\$ 62,383,045

CITY OF LA CROSSE, WISCONSIN
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
YEAR ENDED DECEMBER 31, 2025

	CAPITAL PROJECTS	CAPITAL BONDS	CAPITAL NOTES	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
REVENUE											
Taxes	\$ -	\$ -	\$ -	\$ 315,721	\$ 4,330,124	\$ 591,723	\$ 2,742,415	\$ 1,842,598	\$ 1,238,741	\$ 742,759	\$ 1,805,890
Intergovernmental	-	-	-	5,269	981,259	61,167	1,084,301	994,364	460,198	68,300	174,628
Public charges for services	-	-	-	-	-	-	-	500	14,092	-	-
Miscellaneous	-	-	-	5,516	254,212	12,748	286,561	66,080	63,856	23,197	112,053
TOTAL REVENUE	<u>-</u>	<u>-</u>	<u>-</u>	<u>326,506</u>	<u>5,565,595</u>	<u>665,638</u>	<u>4,113,277</u>	<u>2,903,542</u>	<u>1,776,887</u>	<u>834,256</u>	<u>2,092,571</u>
EXPENDITURES											
Current											
Public safety	-	-	1,828	-	-	-	-	-	-	-	-
Public works	-	-	9,805	-	-	-	-	-	-	-	-
Conservation and development	-	-	84,219	6,867	137,120	12,425	55,726	32,766	25,455	115,451	35,734
Debt service											
Principal	-	-	607,847	-	-	56,940	-	-	-	-	122,817
Interest	-	-	2,541	8,671	85,700	23,248	35,784	-	-	-	3,070
Capital outlay	8,646	1,541,577	7,893,506	507,865	1,133,047	-	363,364	917,847	605,527	383,820	160,441
TOTAL EXPENDITURES	<u>8,646</u>	<u>1,541,577</u>	<u>8,599,746</u>	<u>523,403</u>	<u>1,355,867</u>	<u>92,613</u>	<u>454,874</u>	<u>950,613</u>	<u>630,982</u>	<u>499,271</u>	<u>322,062</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(8,646)</u>	<u>(1,541,577)</u>	<u>(8,599,746)</u>	<u>(196,897)</u>	<u>4,209,728</u>	<u>573,025</u>	<u>3,658,403</u>	<u>1,952,929</u>	<u>1,145,905</u>	<u>334,985</u>	<u>1,770,509</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	-	-	-	-	-	-	-	-	-	-	-
Transfers (out)	-	-	-	-	(2,305,838)	(480,000)	(4,415,016)	(1,733,014)	-	-	(1,104,077)
Sale of capital assets	-	-	-	-	-	-	-	-	-	-	-
Lease proceeds	-	-	-	-	-	-	-	-	-	-	-
Issuance of long-term debt	-	-	13,251,066	-	-	-	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>13,251,066</u>	<u>-</u>	<u>(2,305,838)</u>	<u>(480,000)</u>	<u>(4,415,016)</u>	<u>(1,733,014)</u>	<u>-</u>	<u>-</u>	<u>(1,104,077)</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>(8,646)</u>	<u>(1,541,577)</u>	<u>4,651,320</u>	<u>(196,897)</u>	<u>1,903,890</u>	<u>93,025</u>	<u>(756,613)</u>	<u>219,915</u>	<u>1,145,905</u>	<u>334,985</u>	<u>666,432</u>
FUND BALANCE - BEGINNING 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>
FUND BALANCE - END OF YEAR	<u>\$ 70,685</u>	<u>\$ 921,130</u>	<u>\$ 18,160,275</u>	<u>\$ (233,280)</u>	<u>\$ 3,647,213</u>	<u>\$ (102,062)</u>	<u>\$ 6,412,050</u>	<u>\$ 1,187,281</u>	<u>\$ 1,651,307</u>	<u>\$ 468,716</u>	<u>\$ 2,245,600</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, 2025

	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	\$ 83,681	\$ -	\$ 359	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 13,694,011
Intergovernmental	641	-	-	-	3,139,535	423,184	-	-	-	551,206	7,944,052
Public charges for services	-	-	-	-	-	-	-	-	-	-	14,592
Miscellaneous	7,487	294	765	287	70,468	50,593	1,506	7	22,762	195,543	1,173,935
TOTAL REVENUE	<u>91,809</u>	<u>294</u>	<u>1,124</u>	<u>287</u>	<u>3,210,003</u>	<u>473,777</u>	<u>1,506</u>	<u>7</u>	<u>22,762</u>	<u>746,749</u>	<u>22,826,590</u>
EXPENDITURES											
Current											
Public safety	-	-	-	-	-	-	-	-	-	-	1,828
Public works	-	-	-	-	-	-	-	-	-	-	9,805
Conservation and development	82,173	500	500	-	-	-	-	-	-	-	588,936
Debt service											
Principal	-	-	-	-	72,922	-	-	-	-	-	860,526
Interest	-	429	-	429	-	-	-	-	-	-	159,872
Capital outlay	5,838,235	-	-	500	4,478,973	746,826	-	-	377,776	534,223	25,492,173
TOTAL EXPENDITURES	<u>5,920,408</u>	<u>929</u>	<u>500</u>	<u>929</u>	<u>4,551,895</u>	<u>746,826</u>	<u>-</u>	<u>-</u>	<u>377,776</u>	<u>534,223</u>	<u>27,113,140</u>
EXCESS OF REVENUE OVER (UNDER) EXPENDITURES	<u>(5,828,599)</u>	<u>(635)</u>	<u>624</u>	<u>(642)</u>	<u>(1,341,892)</u>	<u>(273,049)</u>	<u>1,506</u>	<u>7</u>	<u>(355,014)</u>	<u>212,526</u>	<u>(4,286,550)</u>
OTHER FINANCING SOURCES (USES)											
Transfers in	5,976,275	-	-	-	1,000	-	-	-	-	-	5,977,275
Transfers (out)	-	-	-	-	(52,126)	(266,446)	-	-	-	(16,306)	(10,372,823)
Sale of capital assets	-	-	-	-	471,252	-	-	-	-	-	471,252
Lease proceeds	-	-	-	-	566,081	-	-	-	-	-	566,081
Issuance of long-term debt	-	-	-	-	777,306	-	-	-	-	-	14,028,372
TOTAL OTHER FINANCING SOURCES (USES)	<u>5,976,275</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,763,513</u>	<u>(266,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,306)</u>	<u>10,670,157</u>
EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>147,676</u>	<u>(635)</u>	<u>624</u>	<u>(642)</u>	<u>421,621</u>	<u>(539,495)</u>	<u>1,506</u>	<u>7</u>	<u>(355,014)</u>	<u>196,220</u>	<u>6,383,607</u>
FUND BALANCE - BEGINNING 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>
FUND BALANCE - END OF YEAR	<u>\$ 141,672</u>	<u>\$ (2,197)</u>	<u>\$ 21,838</u>	<u>\$ (2,395)</u>	<u>\$ 935,231</u>	<u>\$ 969,342</u>	<u>\$ 43,541</u>	<u>\$ 223</u>	<u>\$ 387,327</u>	<u>\$ 5,624,733</u>	<u>\$ 42,548,230</u>

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS
DECEMBER 31, 2025

<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	\$ -	\$ 11,325,110	\$ 705,406	\$ 13,390	\$ 2,300,874	\$ 808,842	\$ 1,180,491	\$ 16,334,113
Accounts receivable								
Customer	-	363,696	17,306	-	-	5,840	838,835	1,225,677
Due from other governments	-	-	-	-	-	-	18,633	18,633
Inventories	161,183	-	-	-	-	55,497	-	216,680
Prepays	-	3	-	-	-	-	11,590	11,593
RESTRICTED ASSETS								
Cash	-	-	-	-	45,469	-	-	45,469
NONCURRENT ASSETS								
Advances to other funds	-	-	-	-	150,000	-	-	150,000
TOTAL ASSETS	\$ 161,183	\$ 11,688,809	\$ 722,712	\$ 13,390	\$ 2,496,343	\$ 870,179	\$ 2,049,549	\$ 18,002,165
<u>LIABILITIES AND NET POSITION</u>								
LIABILITIES								
CURRENT LIABILITIES								
Accounts payable	\$ -	\$ 5,477,142	\$ -	\$ 406,151	\$ 301,200	\$ 38,965	\$ 10,673	\$ 6,234,131
Other	-	-	-	-	-	-	2,038,876	2,038,876
Due to other funds	85,130	-	-	-	-	-	-	85,130
Unearned revenue - other	-	47,522	-	-	-	-	-	47,522
NONCURRENT LIABILITIES								
Advances from other funds	-	-	-	150,000	-	-	-	150,000
TOTAL LIABILITIES	85,130	5,524,664	-	556,151	301,200	38,965	2,049,549	8,555,659
NET POSITION								
Restricted for other	-	-	-	-	45,469	-	-	45,469
Unrestricted	76,053	6,164,145	722,712	(542,761)	2,149,674	831,214	-	9,401,037
TOTAL NET POSITION	76,053	6,164,145	722,712	(542,761)	2,195,143	831,214	-	9,446,506
TOTAL LIABILITIES AND NET POSITION	\$ 161,183	\$ 11,688,809	\$ 722,712	\$ 13,390	\$ 2,496,343	\$ 870,179	\$ 2,049,549	\$ 18,002,165

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2025

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	TOTALS
OPERATING REVENUE							
Interdepartmental sales	\$ 213,315	\$ 14,467,812	\$ 440,604	\$ 460,900	\$ 456,106	\$ 1,193,995	\$ 17,232,732
Other revenue	-	1,210,348	-	-	444,089	-	1,654,437
TOTAL OPERATING REVENUE	<u>213,315</u>	<u>15,678,160</u>	<u>440,604</u>	<u>460,900</u>	<u>900,195</u>	<u>1,193,995</u>	<u>18,887,169</u>
OPERATING EXPENSES							
Plant and maintenance expenses:							
Salaries and wages	-	173,070	462,694	-	279,853	-	915,617
Supplies and expenses	-	4,043	-	-	-	1,178,940	1,182,983
TOTAL PLANT AND MAINTENANCE EXPENSES	<u>-</u>	<u>177,113</u>	<u>462,694</u>	<u>-</u>	<u>279,853</u>	<u>1,178,940</u>	<u>2,098,600</u>
GENERAL EXPENSES							
Office supplies and other expenses	238,947	3,261	-	-	-	-	242,208
Outside services employed	-	63,459	-	-	-	6,817	70,276
Insurance expense	-	2,275,121	-	714,538	6,036	-	2,995,695
Employee benefits	-	14,088,405	-	-	-	-	14,088,405
TOTAL GENERAL EXPENSES	<u>238,947</u>	<u>16,430,246</u>	<u>-</u>	<u>714,538</u>	<u>6,036</u>	<u>6,817</u>	<u>17,396,584</u>
TOTAL OPERATING EXPENSES	<u>238,947</u>	<u>16,607,359</u>	<u>462,694</u>	<u>714,538</u>	<u>285,889</u>	<u>1,185,757</u>	<u>19,495,184</u>
OPERATING INCOME (LOSS)	<u>(25,632)</u>	<u>(929,199)</u>	<u>(22,090)</u>	<u>(253,638)</u>	<u>614,306</u>	<u>8,238</u>	<u>(608,015)</u>
NONOPERATING REVENUE (EXPENSES)							
Interest income	-	341,771	23,433	-	-	20,572	385,776
Miscellaneous revenue	-	5,595	-	-	-	-	5,595
TOTAL NONOPERATING REVENUE (EXPENSES)	<u>-</u>	<u>347,366</u>	<u>23,433</u>	<u>-</u>	<u>-</u>	<u>20,572</u>	<u>391,371</u>
(LOSS) INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	(25,632)	(581,833)	1,343	(253,638)	614,306	28,810	(216,644)
TRANSFERS IN (OUT)	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>143,741</u>	<u>-</u>	<u>-</u>	<u>2,143,741</u>
CHANGE IN NET POSITION	(25,632)	1,418,167	1,343	(109,897)	614,306	28,810	1,927,097
NET POSITION - BEGINNING 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>
NET POSITION - END OF YEAR	<u>\$ 76,053</u>	<u>\$ 6,164,145</u>	<u>\$ 722,712</u>	<u>\$ (542,761)</u>	<u>\$ 2,195,143</u>	<u>\$ 831,214</u>	<u>\$ 9,446,506</u>

CITY OF LA CROSSE, WISCONSIN
STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2025

	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	\$ -	\$ 899,561	\$ (2,621)	\$ -	\$ 444,089	\$ (790)	\$ -	\$ 1,340,239
Receipts from (payments to) municipality	273,928	14,467,812	440,604	460,900	456,106	1,193,995	1,025,669	18,319,014
Payments to suppliers for goods and services	(273,928)	(1,985,576)	-	(628,437)	(444,001)	(1,175,355)	-	(4,507,297)
Payments for employees wages and benefits	-	(14,287,837)	(462,694)	-	(279,853)	-	-	(15,030,384)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	-	(906,040)	(24,711)	(167,537)	176,341	17,850	1,025,669	121,572
CASH FLOWS FROM INVESTING ACTIVITIES								
Interest received	-	341,771	23,433	-	-	20,572	-	385,776
NET CHANGE IN CASH AND CASH EQUIVALENTS	-	1,435,731	(1,278)	(23,796)	176,341	38,422	1,025,669	2,651,089
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	-	9,889,379	706,684	37,186	2,170,002	770,420	154,822	13,728,493
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ -	\$ 11,325,110	\$ 705,406	\$ 13,390	\$ 2,346,343	\$ 808,842	\$ 1,180,491	\$ 16,379,582
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</u>								
Operating income (loss)	\$ (25,632)	\$ (929,199)	\$ (22,090)	\$ (253,638)	\$ 614,306	\$ 8,238	\$ -	\$ (608,015)
Changes in assets and liabilities								
Decrease (increase) in receivables - customers	-	(310,787)	(2,621)	-	-	(790)	(72,860)	(387,058)
(Increase) decrease in due from other governments	-	-	-	-	-	-	(7,964)	(7,964)
Decrease (increase) in inventories	(26,634)	-	-	-	-	12,165	-	(14,469)
(Increase) decrease in prepaid expenses	-	13,746	-	-	-	-	1,139	14,885
Increase (decrease) in accounts payable	-	346,562	-	86,101	(437,965)	(1,763)	(203,065)	(210,130)
Increase (decrease) in payroll payable	-	(26,362)	-	-	-	-	-	(26,362)
Increase (increase) in other accrued expenses	-	-	-	-	-	-	1,308,419	1,308,419
Increase (decrease) in due to other funds	52,266	-	-	-	-	-	-	52,266
Total adjustments	25,632	23,159	(2,621)	86,101	(437,965)	9,612	1,025,669	729,587
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	\$ -	\$ (906,040)	\$ (24,711)	\$ (167,537)	\$ 176,341	\$ 17,850	\$ 1,025,669	\$ 121,572
CASH AND CASH EQUIVALENTS AT END OF YEAR								
Cash and investments	\$ -	\$ 11,325,110	\$ 705,406	\$ 13,390	\$ 2,300,874	\$ 808,842	\$ 1,180,491	\$ 16,334,113
Restricted cash	-	-	-	-	45,469	-	-	45,469
TOTAL CASH AND CASH EQUIVALENTS	\$ -	\$ 11,325,110	\$ 705,406	\$ 13,390	\$ 2,346,343	\$ 808,842	\$ 1,180,491	\$ 16,379,582

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, 2025, 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, 2026.

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, 2026