

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 2, 2024

**NEW ISSUE  
NOT BANK QUALIFIED**

**S&P RATING: A+  
BOOK ENTRY ONLY**

Subject to compliance by the City (as hereinafter defined) with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, under present law, interest on the Bonds (as hereinafter defined) is excludible from gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein. Interest on the Bonds is not exempt from current State of Wisconsin income taxes.

**CITY OF LA CROSSE, WISCONSIN  
\$6,005,000\* Sewer System Revenue Bonds, Series 2024-A  
(the "Bonds")**

<b>Dated Date</b>	Date of Delivery (May 9, 2024)
<b>Sale Date</b>	Thursday, April 11, 2024 (the "Sale Date") until 10:00 A.M., Central Time
<b>Consideration of Award</b>	Common Council meeting commencing at 6:00 P.M., Central Time on the Sale Date
<b>Security</b>	The Bonds will be special obligations of the City of La Crosse, Wisconsin (the "City") payable solely from Net Revenues of the City's Sewer System (the "System"). The Bonds shall not constitute a debt for which the full faith and credit or taxing powers of the City will be pledged. See "AUTHORITY AND SECURITY" herein.
<b>Authorization</b>	The Bonds are being issued pursuant to Section 66.0621 of Wisconsin Statutes and a resolution (the "Resolution") to be adopted by the Common Council of the City on Thursday, April 11, 2024.
<b>Purpose</b>	The proceeds of the Bonds will be used to (i) finance various improvements to the System, (ii) fund a debt service reserve fund, and (iii) pay the costs of issuance associated with the Bonds.
<b>Principal and Interest Payments</b>	Principal will be paid annually on May 1, beginning May 1, 2025. Interest will be payable semiannually on May 1 and November 1, beginning November 1, 2024.
<b>Redemption Provisions</b>	The City may elect on May 1, 2034, and on any day thereafter, to redeem Bonds due on or after May 1, 2035 at a price of par plus accrued interest.  The Bonds may be issued as term bonds at the discretion of the Underwriter (as hereinafter defined) and, in such case, will be subject to mandatory sinking fund redemption.
<b>Book Entry</b>	The Bonds will be issued only as fully registered obligations, and when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"). See "APPENDIX C - BOOK ENTRY".
<b>Denominations</b>	The Bonds are being issued in the denomination of \$5,000 or any integral multiples thereof (the "Authorized Denominations").
<b>Registrar and Paying Agent</b>	U.S. Bank Trust Company, National Association, located in Saint Paul, Minnesota ("Fiscal Agent/Registrar").
<b>Bidding Information</b>	Interested bidders should review the Official Terms of Offering for additional instructions. See Appendix G herein.

The information contained in this Preliminary Official Statement is deemed by the City to be final as of the date hereof; however, the pricing and underwriting information is subject to completion or amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

\*Preliminary, subject to change.

MATURITY SCHEDULE  
(Base CUSIP(1) \_\_\_\_\_)

<u>Maturity</u> <u>(May 1)</u>	<u>Principal(2)</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>CUSIP(1)</u>
2025	\$185,000				
2026	\$195,000				
2027	\$205,000				
2028	\$215,000				
2029	\$225,000				
2030	\$235,000				
2031	\$245,000				
2032	\$260,000				
2033	\$275,000				
2034	\$285,000				
2035	\$300,000				
2036	\$320,000				
2037	\$330,000				
2038	\$345,000				
2039	\$360,000				
2040	\$375,000				
2041	\$390,000				
2042	\$405,000				
2043	\$420,000				
2044	\$435,000				

(1) CUSIP® is a registered trademark of the American Bankers Association (“ABA”). CUSIP data (including CUSIP identifiers and related descriptive data) contained herein is provided by CUSIP Global Services (“CGS”), which is operated on behalf of the ABA by FactSet Research Systems Inc. CUSIP data is the valuable intellectual property of the ABA and the inclusion of CUSIP data herein is not intended to create a database and does not serve in any way as a substitute for any CUSIP Service provided by CGS. CUSIP data herein is provided for convenience of reference only. Neither the City, the Municipal Advisor, the Underwriter nor their agents take any responsibility for the accuracy of such data now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

(2) Preliminary subject to change. The City reserves the right, after bids are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original bid. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the bid indicates the securities are initially offered to the investing public.

The Bonds are being offered for delivery when, as and if issued and received by the Underwriter (hereinafter defined) and subject to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel to the City. The Bonds are expected to be available for delivery through the facilities of DTC, in New York, New York on or about May 9, 2024.

In connection with this offering the underwriter may over-allot or effect transactions which stabilize or maintain the market price of the Bonds offered hereby at a level above that which might otherwise prevail in the open market, and such stabilizing, if commenced, may be discontinued at any time.

No dealer, broker, salesperson, or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary Official Statement or the Final Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the securities described herein by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale.

Certain information contained in the Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness or accuracy. The information and expressions of opinion in the Preliminary Official Statement and the Final Official Statement are subject to change, and neither the delivery of the Preliminary Official Statement nor the Final Official Statement nor any sale made under either such document shall create any implication that there has been no change in the affairs of the City since the respective date thereof. However, upon delivery of the securities, the City will provide a certificate stating there have been no material changes in the information contained in the Final Official Statement since its delivery.

References herein to laws, rules, regulations, resolutions, agreements, reports, and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for the purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

The Bonds are considered securities and have not been approved or disapproved by the Securities and Exchange Commission or any state or federal regulatory authority nor has any state or federal regulatory authority confirmed the accuracy or determined the adequacy of this Official Statement. Any representation to the contrary is a criminal offense. Investors must rely on their own examination of this Official Statement, the security pledged to repay the Bonds, the City and the merits and risks of the investment opportunity.

#### **FORWARD-LOOKING STATEMENTS**

This Official Statement, including its appendices, contains statements which should be considered "forward-looking statements," meaning they refer to possible future events or conditions. Such statements are generally identifiable by the words such as "plan," "expect," "estimate," "budget," "may," or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause a deviation from the actual results, performance or achievements expressed or implied by such forward-looking statements. The City does not expect or intend to update or revise any forward-looking statements contained herein if or when its expectations, or events, conditions, or circumstances on which such statements are based occur.

#### **CITY CONTACT INFORMATION**

Additional information regarding the City may be obtained by contacting Mr. Chadwick Hawkins, Director of Finance, 400 La Crosse Street, La Crosse, Wisconsin 54601, phone (608) 789-7567, email: [hawkinsc@cityoflacrosse.org](mailto:hawkinsc@cityoflacrosse.org).

**CITY OF LA CROSSE, WISCONSIN**

**MAYOR**

Mitch Reynolds

**COMMON COUNCIL**

Christine Kahlow	President
Tamra Dickinson	Council member
Erin Goggin	Council member
Barb Janssen	Council member
Larry Sleznikow	Council member
Jenasea Hameister	Council member
Mac Kiel	Council member
Mackenzie Mindel	Council member
Chris Woodard	Council member
Rebecca Schwarz	Council member
Jennifer Trost	Council member
Douglas Happel	Council member
Mark Neumann	Council member

**DIRECTOR OF FINANCE**

Chadwick Hawkins

**DEPUTY DIRECTOR OF FINANCE**

Dan DeGier

**CITY CLERK**

Nikki M. Elsen

**UTILITY FINANCE AND COMPLIANCE MANAGER**

Tina Erickson

**MUNICIPAL ADVISOR**

Baker Tilly Municipal Advisors, LLC  
Saint Paul, Minnesota and Madison, Wisconsin

**BOND COUNSEL**

Chapman and Cutler LLP  
Chicago, Illinois

**FISCAL AGENT/REGISTRAR**

U.S. Bank Trust Company, National Association  
Saint Paul, Minnesota

**UNDERWRITER**

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**OFFICIAL STATEMENT**

**CITY OF LA CROSSE, WISCONSIN  
\$6,005,000\* SEWER SYSTEM REVENUE BONDS, SERIES 2024-A**

**PURPOSE OF THE ISSUE AND USE OF FUNDS**

**PURPOSE OF THE BONDS**

The proceeds of the Bonds will be used to (i) finance various improvements to the City's sewer system (the "System"), (ii) fund a debt service reserve fund, and (iii) pay the costs of issuance associated with the Bonds. For additional information regarding the Sewer System and its finances, see "APPENDIX A – Information Regarding the Sewer System" herein.

**SOURCES AND USES OF FUNDS**

The composition of the Bonds is as follows:

Sources of Funds:	
Principal Amount	\$ _____
[Net] Reoffering [Premium][Discount]	_____
Total Sources of Funds	\$ _____
Uses of Funds:	
Deposit to Improvement Fund	\$ _____
Deposit to Debt Service Reserve Fund	_____
Costs of Issuance(1)	_____
Underwriter's Compensation	_____
Total Uses of Funds	\$ _____

(1) Includes fees for bond counsel, municipal advisor, fiscal agent/registrar, rating, and other miscellaneous expenses.

**INVESTMENT OF FUNDS**

The proceeds of the Bonds are to be invested in accordance with the laws of the State of Wisconsin (the "State") relating to the depositing, holding, securing, or investing of public funds. The City shall direct the investment of Bond proceeds.

**DESCRIPTION OF THE BONDS**

**INTEREST CALCULATION**

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book entry only system operated by The Depository Trust Company, New York, New York ("DTC"). Principal of and interest on the Bonds will be payable by U.S. Bank Trust Company, National Association, as bond registrar and paying agent (the "Registrar" or "Fiscal Agent").

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each May 1 and November 1, commencing November 1, 2024.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on

\*Preliminary; subject to change.

each Bonds will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which shall be the 15th day of the month next preceding the interest payment date (the "Record Date").

**REDEMPTION PROVISIONS**

Optional Redemption

The Bonds due on or after May 1, 2035, are subject to redemption prior to maturity at the option of the City as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the City (less than all of the Bonds of a single maturity to be selected by the Registrar), on May 1, 2034, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

General. The City will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); provided that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the City by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the City are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the City, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the City will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the City will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the applicable Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the City shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

[Mandatory Redemption]

The Bonds maturing on May 1 in the years \_\_\_\_\_ (the "Term Bonds") are subject to mandatory sinking fund redemption and shall be redeemed in part at par plus accrued interest on the mandatory dates and in the principal amounts as follows:

	<u>Term Bond</u>		<u>Term Bond</u>
<u>Year</u>	<u>Amount</u>	<u>Year</u>	<u>Amount</u>
_____	\$ _____	_____	\$ _____
_____(1)	\$ _____	_____(1)	\$ _____

(1) Final Maturity.



The principal amount of the Term Bonds may be reduced through the earlier optional redemption, with any partial optional redemptions of the Term Bonds credited against future mandatory redemption requirements for such Term Bonds in such order as the City shall determine.]

#### **REGISTRATION AND EXCHANGE FEATURES**

The Registrar will maintain books (the “Register”) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the City or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

#### **BOOK ENTRY**

When issued, the Bonds will be registered in the name of and held by Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). Purchases of beneficial interests in the Bonds will be made in book-entry-only form. See “Appendix C - Book-Entry”.

### **AUTHORITY AND SECURITY**

#### **AUTHORITY**

The Bonds are being issued pursuant to Section 66.0621 of Wisconsin Statutes and a resolution (the “Resolution”) to be adopted by the Common Council of the City (the “Common Council”) on Thursday, April 11, 2024.

#### **SECURITY AND SOURCES OF PAYMENT**

The Bonds are special obligations of the City payable solely from the Revenues (as hereinafter defined) of the City’s Sewer System in the Special Redemption Fund created by the Resolution, the same being the Revenues available after deduction of the Operation and Maintenance Expenses (as hereinafter defined) and any required deposit to the Debt Service Reserve Fund (as hereinafter described) (the “Net Revenues”). The Bonds do not constitute an indebtedness of the City within the meaning of the Constitution of the State of Wisconsin (the “State”) or a pledge of the full faith and credit of the City.

The Bonds are being issued on a parity of lien with the City’s not to exceed \$65,064,233 Sewerage System Revenue Bonds, Series 2022, dated February 23, 2022, which are authorized to be issued in the amount of \$65,064,233 and of which an estimated \$55,957,019 has been drawn down as of the date hereof (the “Prior Bonds”). The Bonds and the Prior Bonds together are referred to as the “Parity Bonds.”

In the Resolution, the City will covenant with Bondholders that:

(i) It shall faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State, including lawfully establishing reasonable and sufficient rates for services rendered by the System and collecting, depositing, applying and segregating the Revenues of the System to the respective funds and accounts described in the Resolution;

(ii) It will not sell, lease, or in any manner dispose of the System, including any part thereof or any additions or extensions that may be made part thereto, until all of the Bonds shall have been paid in full, both principal and interest, or until provision shall have been made for the payment of the Bonds and the premium, if any, and the interest thereon in full in accordance with the Resolution except that the City shall have the right to sell, lease or otherwise dispose of any property of the System found by the City to be neither necessary nor useful in the operation of the System, provided the proceeds received from such sale, lease or disposal shall be paid into the Special Redemption Fund may be used to purchase Bonds on the open market or by request for tenders at a price not to exceed the then applicable redemption price, if any, therefore or to redeem Bonds which are redeemable in advance of maturity or applied to the acquisition or construction of capital facilities for use in the normal operation of the System, and such payment shall not reduce the amounts otherwise required to be paid into the Special Redemption Fund. Notwithstanding the foregoing provisions, the City may sell, lease or otherwise dispose of the System as a whole, provided, that the proceeds of such sale or disposition, together with any other available moneys, are sufficient to pay the principal of premium, if any, and interest on all of the Bonds when due or upon optional redemption prior to maturity, in which case the proceeds of such sale shall become Revenues, and shall not be used for any other purpose until the principal of, premium, if any, and interest on all of the Bonds shall have been paid or duly provided for as aforesaid;

(iii) It will pay or cause to be paid all lawful taxes, assessments, governmental charges, and claims for labor, materials or supplies which if unpaid could become a lien upon the System or the Revenues or could impair the security of the Bonds;

(iv) The City will operate and maintain the System in reasonably good condition and working order, will operate the System and will establish, charge and collect such lawfully established rates and charges for the service rendered by the System so that the Revenues of the System will be sufficient to make the payments to the funds and accounts created by the Resolution and to provide for the payment of the Bonds and any Additional Bonds (as defined herein) and which shall be sufficient to produce annual Net Revenues in each Fiscal Year which, in the aggregate, will amount to 1.25 times the maximum amount of debt service due in any Fiscal Year on the Bonds and any Additional Bonds and interest thereon ( "Maximum Annual Debt Service");

(v) The City will not incur any additional debt secured by the Net Revenues except in accordance with the Resolution;

(vi) The City will prepare a budget not less than sixty (60) days prior to the end of each fiscal year and, in the event such budget (taking into account income, unencumbered surplus, and expenses) indicates that earnings for each year will not exceed debt service for each corresponding year by the proportion stated above, will take any and all steps permitted by law to increase rates so that the aforementioned proportion of earnings to debt service shall be accomplished as promptly as possible;

(vii) The City will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the City, in which complete and correct entries shall be made of all transactions relating to the Project, the Revenues, the Sewerage System Fund and the funds and accounts thereof. Such books of record and accounts shall at all times during business hours be subject to the inspection of the registered owners of not less than ten percent (10%) of the principal amount of the Bonds or their representatives authorized in writing; and

(viii) The City will carry for the benefit of the owners of the Bonds insurance of the kinds and in the amounts normally carried by private companies engaged in the operation of similar systems. All money received for losses under any of such insurance policies, except public liability, shall be used in repairing the damage or in replacing the property destroyed, but in the event the City shall deem it not advisable to repair such damage or replace such property, and that the operation of the System shall not have been impaired thereby, such money may be deposited in the funds described in the Resolution, but shall not reduce the amount otherwise required to be paid into said funds.

The reasonable cost and value of any use of the System by the City, if any, shall be charged against the Municipality, and shall be by it paid as the use occurs, out of the current revenues of the Municipality collected or in the process of collection, exclusive of the Revenues derived from the System, and out of the

tax levy of the City made by it to raise money to meet its necessary current expenses; provided, that, for purposes of this Resolution, and subject to annual appropriation, the value of such service to the City shall be deemed to be the difference, if any, between the Revenues and the amount necessary to pay the principal of and interest on the Bonds and to replenish any deficiency in the Debt Service Reserve Account. Such compensation for such service rendered to the City shall be considered a portion of the Revenues.

#### **FUNDS AND ACCOUNTS**

Upon the issuance of the Bonds, the System shall continue to be operated on a fiscal year basis, the "*Fiscal Year*" of the System meaning the twelve (12) month period beginning on January 1 of each year and ending on December 31 of the same year. All of the Revenues shall be set aside as collected and be deposited into a separate fund, which fund has heretofore been created and designated as the "Sewerage System Revenue Fund" (the "*Sewer Fund*") of the City, and is expressly continued under this Resolution, and which fund shall constitute a trust fund for the sole purpose of carrying out the covenants, terms and conditions of the Prior Bonds, the Bonds, and any Additional Bonds, and shall be used only in paying Operations and Maintenance Expenses, funding the debt service reserve account, paying the principal of and interest on all obligations of the City which by their terms are payable from the Revenues, providing for an adequate depreciation fund, and providing for the establishment and expenditure from the respective accounts as hereinafter described.

"*Operation and Maintenance Expenses*" shall mean salaries, wages, cost of material and supplies, including routine repairs and renewals, management fees paid to third parties, insurance and such other reasonable current expenses as shall be determined in accordance with generally accepted accounting principles, but excluding the costs of capital expenditures, replacements, depreciation, debt service, debt service reserves (including repayments with respect thereto), special assessments or payments of or in lieu of property taxes.

For the purpose of carrying out the provisions of the Act, there are hereby continued within the Sewer Fund separate funds and accounts to be known as the "*Operation and Maintenance Fund*", the "*Debt Service Reserve Fund*", the "*Sewerage System Special Redemption Fund*", the "*Depreciation Fund*" and the "*Surplus Fund*" to which there shall be credited on or before the first day of each month by the Treasurer, without any further official action or direction, in the order in which said funds and accounts are hereinafter mentioned, all moneys held in the Sewer Fund, in accordance with the following provisions:

(i) *Operation and Maintenance Fund*. There shall be credited to or retained in the Operation and Maintenance Fund an amount sufficient, when added to the amount then on deposit in said Account, to establish or maintain a balance to an amount not less than the amount considered necessary to pay Operation and Maintenance Expenses for the then current month.

(ii) *Debt Service Reserve Fund*. There shall be deposited into the Debt Service Reserve Fund any amounts necessary to bring the amount in said fund up to the amount required by any future resolution of the Common Council providing for the issuance of Additional Bonds (the "*Debt Service Reserve Requirement*"). The Debt Service Reserve Requirement with respect to the Bonds is the lesser of: (i) 10% of the aggregate principal amount of proceeds of the Bonds, (ii) the maximum annual debt service on the Bonds outstanding, or (iii) 125% of the average annual debt service. The Debt Service Reserve Requirement for the Bonds is estimated to be \$450,525\* and will be fully funded upon settlement of the Bonds.

The Debt Service Reserve Requirement for the Bonds shall be deposited into a separate subaccount of the Debt Service Reserve Fund and shall be held to secure the payment of the principal of and interest on the Bonds. Such funds shall not be available to pay the principal of and interest on the Prior Bonds. Future resolutions providing for the issuance of Additional Bonds may provide that the debt service reserve requirement for such series of Additional Bonds be deposited to a separate subaccount of the Debt Service Reserve Fund to solely secure such Additional Bonds or provide that such amount be deposited to the same subaccount created in the Resolution for the Bonds, provided, however, that the Debt Service Reserve Requirement for such series of Additional Bonds shall be calculated in the same manner as the Debt Service Reserve Requirement for the Bonds.

\* Preliminary; subject to change.

(iii) *Special Redemption Fund.* There shall be deposited into the Special Redemption Fund the amount necessary to provide for the payment of a fractional amount of the interest on the Bonds and any Additional Bonds becoming due on the next succeeding May 1 and November 1 (each an “*Interest Payment Date*”) and a fractional amount of any principal on the Bonds and any Additional Bonds becoming due on the next succeeding May 1 (the “*Principal Payment Date*”) until there shall have been accumulated in such Fund on or before the month next preceding an Interest Payment Date or Principal Payment Date an amount sufficient to pay such principal, if any, or interest or both of all outstanding Bonds and Additional Bonds coming due on such Interest Payment Date or Principal Payment Date. In computing the fractional amount to be set aside each month in said fund, the fraction shall be so computed that sufficient funds will be set aside therein and will be available for the prompt payment of such principal of and interest on the Bonds and outstanding Additional Bonds as the same will become due and shall be not less than one-sixth of the interest becoming due on the next succeeding Interest Payment Date and not less than one-twelfth of the principal, if any, becoming due on the next succeeding Principal Payment Date on all outstanding Bonds and Additional Bonds until there is sufficient money in said Account to pay such principal or interest or both. Credits to the Special Redemption Fund may be suspended in any Fiscal Year at such time as there shall be a sufficient sum, held in cash and investments, in said Fund to meet principal and interest requirements in said Fund for the balance of such Fiscal Year, but such credits shall be resumed at the beginning of the next Fiscal Year. All moneys in the Special Redemption Fund shall be used only for the purpose of paying interest on and principal of the Bonds and outstanding Additional Bonds. It is the express intent and determination of the Council that the amounts transferred from the Sewer Fund and deposited in the Special Redemption Fund shall be sufficient in any event to pay the interest on the Bonds and any Additional Bonds as the same accrues and the principal thereof as the same matures.

(iv) *Depreciation Fund.* There shall be credited to the Depreciation Fund and held, in cash and investments, such sum as the Council may deem necessary in order to provide an adequate depreciation fund for the System. Amounts to the credit of the Depreciation Fund shall be used for (a) the payment of the cost of extraordinary maintenance, necessary repairs and replacements, or contingencies, the payment for which no other funds are available, in order that the System may at all times be able to render efficient service, (b) for the purpose of acquiring or constructing improvements and extensions to the System, and (c) the payment of principal of or interest on any outstanding Bonds or Additional Bonds at any time when there are no other funds available for that purpose in order to prevent a default.

(v) *Surplus Fund.* All moneys remaining in the Sewer Fund, after crediting the required amounts to the respective accounts described in paragraphs (i) through (iv) of this Section, and after making up any deficiency in said accounts, shall be credited to the Surplus Fund. Funds in the Surplus Fund shall first be used to make up any subsequent deficiencies in any of said Funds and Accounts and then at the discretion of the Common Council, for the remainder of all surplus Revenues, for one or more of the following purposes without any priority among them:

1. For the purpose of constructing or acquiring repairs, replacements, improvements or extensions to the System;
2. For making transfers to the Fund generally to be applied and treated as Revenues when transferred; or
3. For the purpose of calling and redeeming the Bonds and any Additional Bonds;
4. For the purpose of purchasing outstanding Bonds or Additional Bonds;
5. For the purpose of paying principal of and interest on any subordinate bond or obligations issued for the purpose of acquiring or constructing repairs, replacements, improvements or extensions to the System; or
6. For any other lawful System purpose.

## **ADDITIONAL BONDS**

The Bonds and any bonds issued by the City in the future on parity with the Bonds from the Net Revenues (the "Additional Bonds") may be issued only under the following circumstances:

(A) The Net Revenues of the System for the Fiscal Year immediately preceding the issuance of such Additional Bonds must have been in an amount at least equal to the maximum annual interest and principal requirements on all bonds outstanding payable from the Net Revenues, and on the bonds then to be issued, times 1.25. Should an increase in permanent rates and charges, including those made to the City, be properly ordered and made effective during the Fiscal Year immediately prior to the issuance of such Additional Bonds or during that part of the Fiscal Year of issuance prior to such issuance, then Net Revenues for purposes of such computation shall include such additional revenues as a registered municipal advisor, an independent certified public accountant, consulting professional engineer or the Wisconsin Public Service Commission may certify would have accrued during the prior Fiscal Year had the new rates been in effect during that entire immediately prior Fiscal Year.

(B) The payments required to be made into the funds and accounts enumerated in the Resolution must have been made in full.

(C) The Additional Bonds must have principal maturing on May 1 of each year and interest falling due on May 1 and November 1 of each year.

(D) The proceeds of the Additional Bonds must be used only for the purpose of providing extensions or improvements to the System, or to refund obligations issued for such purpose.

## **RISK FACTORS AND INVESTOR CONSIDERATIONS**

Prospective purchasers of the Bonds should consider carefully, along with other matters referred to herein, the following risks of investment. The ability of the City to meet the debt service requirements of the Bonds is subject to various risks and uncertainties which are discussed throughout this Official Statement. Certain investment considerations are set forth below.

### **GENERAL**

The Bonds will be special obligations of the City payable solely from the Net Revenues of the Sewer System and from amounts in the Debt Service Reserve Fund and certain other accounts created under the Resolution. No representation or assurance can be given that the System will realize revenues in amounts sufficient to pay the principal of and interest on the Bonds. The realization of future revenues is dependent upon, among other things, the capabilities of the management of the System and future changes in economic and other conditions that are unpredictable and cannot be determined at this time. The risk factors discussed below should be considered in evaluating the ability of the City to make such payments.

The Bonds do not and shall not in any event constitute an indebtedness of the City or the State, and neither the faith and credit nor the taxing power of the City or the State is pledged to the payment of the principal of or interest on the Bonds, within the meaning of any constitutional or statutory limitation.

### **SYSTEM REVENUES**

Should rates set be inadequate to cover expenses, an unusual number of delinquencies occur, or a major breakdown or other disaster cause the System to be inoperable, a shortfall of revenues could result in a delay of debt payments.

### **LARGER USERS**

Should larger users increase or decrease usage of the water and sewer service currently provided, the revenues of the System will be affected proportionately.

## **ABSENCE OF CREDIT ENHANCEMENT**

No form of credit enhancement will be or has been obtained in connection with the Bonds. No form of revenues other than the revenues derived by the City from the operation of the System will be available for the payment of the debt service on the Bonds. In the event revenues are not derived from the System or other sources for any reason, the ability of the City to pay debt service on the Bonds could be adversely affected.

## **CONTINUING DISCLOSURE**

A failure by the City to comply with the Undertaking for continuing disclosure (See "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with the Undertaking and must be considered by any broker, dealer, or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

## **DEPOSITORY RISK**

Wisconsin Statutes direct the City to immediately deposit, upon receipt thereof, the funds of the City in a public depository designated by the governing body. A public depository means a federal or state credit union, federal or state savings and loan association, state bank, savings and trust company, mutual savings bank or national bank in Wisconsin or the local government pooled investment fund operated by the State of Wisconsin Investment Board. It is not uncommon for the City to have deposits exceeding limits of federal and state insurance programs. Failure of a depository could result in loss of public funds or a delay in obtaining them. Such a loss or delay could interrupt a timely payment of City debt.

## **ECONOMY**

A combination of economic, climactic, political or civil disruptions or terrorist actions could affect the local economy and result in reduced revenues and/or tax collections and/or increased demands upon the City.

## **ADDITIONAL DEBT OF THE CITY**

Upon the satisfaction of certain conditions set forth in the Resolution, the City may issue Additional Bonds. See "AUTHORITY AND SECURITY - Additional Bonds" herein.

## **CYBERSECURITY**

The City relies on computer networks, data storage, collection, and transmission to conduct the operations of the City and has implemented security measures to protect data and limit financial exposure, including securing cyber security insurance to assist with the reduction of potential risk of financial and operational damage resulting from network attacks. Even with these security measures, the City, its information technology, data stored by the City and its infrastructure may be vulnerable in the event of a deliberate system attack, including malware, ransomware, computer virus, employee error or general disruption. If breached or compromised, the networks could be disrupted and information could be accessed, disclosed, lost, or stolen. The City acknowledges that its systems could be affected by a cybersecurity attack and that a loss, disruption, or unauthorized access to data held by the City could have a material impact on the City. Further, as cybersecurity threats evolve, the City will continue to evaluate and implement security measures and work to mitigate any vulnerabilities in its system.

## **POTENTIAL IMPACTS RESULTING FROM EPIDEMICS OR PANDEMICS**

The City's finances may be materially adversely affected by unforeseen impacts of future epidemics and pandemics. The City cannot predict future impacts of epidemics or a pandemics, any similar outbreaks, or their impact on travel, on assemblies or gatherings, on the State, national or global economy, or on securities markets, or whether any such disruptions may have a material adverse impact on the financial condition or operations of the City, including but not limited to the payment of debt service on any of its outstanding debt obligations.

## **LEGAL MATTERS**

Various state and federal laws, regulations and constitutional provisions apply to the obligations created by the Bonds. There is no assurance that there will not be any change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the City or the taxing authority of the City.

## **TAXATION OF INTEREST ON THE BONDS**

An opinion of Bond Counsel will be obtained to the effect that interest earned on the Bonds is excludable from gross income for federal income tax purposes under current provisions of the Internal Revenue Code of 1986, as amended (the "Code"), and applicable rulings and regulations under the Code; however, an application for a ruling has not been made and an opinion of counsel is not binding upon the Internal Revenue Service. There can be no assurance that the present provisions of the Code, or the rules and regulations thereunder, will not be adversely amended or modified, thereby rendering the interest earned on the Bonds includable in gross income for federal income tax purposes.

The City has covenanted in the Resolution and in other documents and certificates to be delivered in connection with the issuance of the Bonds to comply with the provisions of the Code, including those which require the City to take or omit to take certain actions after the issuance of the Bonds. Because the existence and continuation of the excludability of the interest on the Bonds depends upon events occurring after the date of issuance of the Bonds, the opinion of Bond Counsel described under "TAX EXEMPTION" assumes the compliance by the City with the provisions of the Code described above and the regulations relating thereto. No opinion is expressed by Bond Counsel with respect to the excludability of the interest on the Bonds in the event of noncompliance with such provisions. The failure of the City to comply with the provisions described above may cause the interest on the Bonds to become includable in gross income as of the date of issuance.

## **NO ADDITIONAL INTEREST OR MANDATORY REDEMPTION UPON EVENT OF TAXABILITY**

The Resolution does not provide for the payment of additional interest or penalty on the Bonds or the mandatory redemption thereof if the interest thereon becomes includable in gross income for federal income tax purposes.

## **SUITABILITY OF INVESTMENT**

The federal tax exempt feature of the Bonds is more valuable to high tax bracket investors than to investors who are in low tax brackets, and so the value of the interest compensation to any particular investor will vary with individual tax rates. Each prospective investor should carefully examine this Official Statement, including the Appendices hereto, and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment.

## **MAINTENANCE OF RATING**

The Bonds have been rated as to their creditworthiness by S&P. While the City does not anticipate any material changes in the future, no assurance can be given that the Bonds will maintain their original rating. If the rating on the Bonds decreases or is withdrawn, the Bonds may lack liquidity in the secondary market in comparison with other such municipal obligations. See "Rating" herein.

## **SECONDARY MARKET**

While the purchaser of the Bonds may expect, insofar as possible, to maintain a secondary market in the Bonds, no assurance can be given concerning the future existence of such a secondary market or its maintenance by the purchasers or others, and prospective purchasers of the Bonds should therefore be prepared, if necessary, to hold their Bonds to maturity or prior redemption, if any.

## **LITIGATION**

To the knowledge of the officers for the City, there is no litigation pending, or threatened, against the City, which in any way questions or affects the validity of the Bonds, or any proceedings or transactions relating to the issuance, sale, or delivery thereof.

## **LEGAL MATTERS**

An opinion as to the validity of the Bonds and the exemption from federal taxation of the interest thereon will be furnished by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel to the City ("Bond Counsel"), and will be available at the time of delivery of the Bonds. The proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Bond Counsel who has been retained by, and acts as, Bond Counsel to the City. Bond Counsel has not assumed responsibility for this Preliminary Official Statement or participated in its preparation (except with respect to the section entitled "TAX EXEMPTION" in this Preliminary Official Statement and the form of legal opinion found in Appendix D of this Preliminary Official Statement). Bond Counsel has not been retained or consulted on disclosure matters, and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Preliminary Official Statement or other offering material relating to the Bonds, and assumes no responsibility for the statements or information contained in or incorporated by reference in this Preliminary Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the City, reviewed the section entitled "TAX EXEMPTION" in this Preliminary Official Statement and has provided the form of legal opinion set forth in Appendix D to this Preliminary Official Statement. This review was undertaken solely at the request and for the benefit of the City and did not include any obligation to establish or confirm factual matters set forth herein.

## **TAX EXEMPTION**

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The City has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the City's compliance with the above referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "Code"). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the City with respect to certain material facts within the City's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

Ownership of the Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.



The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the "OID Bonds") and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the City complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the City

as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W 9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

#### **STATE OF WISCONSIN INCOME AND FRANCHISE TAXES**

Interest on the Bonds is not exempt from current State of Wisconsin income or franchise taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a Bond.

#### **NOT BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS**

The City will not designate the Bonds as “qualified tax-exempt obligations” for purposes of Section 265(b)(3) of the Code, relating to the ability of financial institutions to deduct from income for federal income tax purposes, interest expense that is allocable to carrying and acquiring tax-exempt obligations.

#### **PURCHASER/UNDERWRITING**

The Bonds are being purchased by \_\_\_\_\_ (the “Underwriter”) [and its syndicate] at a purchase price of \$ \_\_\_\_\_, which is the par amount of the Bonds of \$ \_\_\_\_\_, less the Underwriter’s discount of \$ \_\_\_\_\_, plus the [net] original issue [premium][discount] of \$ \_\_\_\_\_.

The Underwriter intends to offer the Bonds to the public at the offering prices set forth on the inside cover page of this Official Statement. The Underwriter may allow concessions to certain dealers (including dealers in a selling group of the Underwriter and other dealers depositing the Bonds into investment trusts), who may reallow concessions to other dealers. After the initial public offering, the public offering price may be varied from time to time by the Bonds.

#### **RATING**

S&P Global Ratings (“S&P”), 55 Water Street, New York, New York has assigned a rating of “A+” to the Bonds. Such rating reflects only the view of S&P and any explanation of the significance of such rating may only be obtained from S&P.

The rating is not a recommendation to buy, sell or hold the Bonds, and such rating may be subject to revision or withdrawal at any time by S&P. Any revision or withdrawal of the rating may have an adverse effect upon the market price of the Bonds.

The City has not applied to any other rating service for a rating on the Bonds.

#### **CONTINUING DISCLOSURE**

The City will enter into an undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (“MSRB”) through its Electronic Municipal Market Access system (“EMMA”) pursuant to the requirements of SEC Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of Undertaking is set forth in Appendix D, attached hereto and made a part hereof and entitled “CONTINUING DISCLOSURE UNDERTAKING.”

The City believes it has complied for the past five years in accordance with the terms of its previous continuing disclosure undertakings entered into pursuant to the Rule, except as follows:

- The City did not provide notice of the incurrence of various financial obligations on a timely basis as required by certain outstanding continuing disclosure agreements. Information regarding these financial obligations, along with a failure to timely file notice, were filed with the MSRB via the EMMA system on October 4, 2021 and September 8, 2022, respectively.

A failure by the City to comply with the Undertaking will not constitute a default under the Resolution, and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. A failure by the City to comply with the Undertaking must be reported in accordance with the Rule, and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

### **MUNICIPAL ADVISOR**

The City has retained Baker Tilly Municipal Advisors, LLC as municipal advisor in connection with certain aspects of the issuance of Bonds (the “Municipal Advisor” or “BTMA”). BTMA is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP (“BTUS”), an accounting firm and has been retained by the City to provide certain financial advisory services including, among other things, preparation of the deemed “nearly final” Preliminary Official Statement and the Final Official Statement (the “Official Statements”). The information contained in the Official Statements has been compiled from records and other materials provided by City officials and other sources deemed to be reliable. The Municipal Advisor has not verified and will not independently verify the completeness and accuracy of the information contained in the Official Statement. The Municipal Advisor’s duties, responsibilities and fees arise solely as Municipal Advisor to the City and they have no secondary obligations or other responsibility.

### **MUNICIPAL ADVISOR REGISTRATION**

BTMA is a Municipal Advisor registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. As such, BTMA is providing certain specific municipal advisory services to the City, but is neither a placement agent to the City nor a broker/dealer and cannot participate in the underwriting of the Bonds.

The offer and sale of the Bonds shall be made by the City, in the sole discretion of the City, and under its control and supervision. The City has agreed that BTMA does not undertake to sell or attempt to sell the Bonds, and will take no part in the sale thereof.

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

BTUS is an advisory, tax and assurance firm headquartered in Chicago, Illinois. BTUS and its affiliated entities, have operations in North America, South America, Europe, Asia and Australia. BTUS is an independent member of Baker Tilly International, a worldwide network of independent accounting and business advisory firms.

Baker Tilly Wealth Management, LLC (“BTWM”), a U.S. Securities and Exchange Commission (“SEC”) registered investment adviser under the Federal Investment Advisers Act of 1940. Baker Tilly Capital, LLC (“BTC”), a wholly owned subsidiary of BTUS, is a limited purpose broker/dealer registered with the SEC and a member of the Financial Industry Regulatory Authority (“FINRA”). Baker Tilly Financial, LLC (“BTF”), is a wholly owned subsidiary of BTUS, registered with the SEC as an investment advisor.

BTUS, BTWM and subsidiaries of BTUS may provide advisory services to the clients of BTMA. BTMA has no other activities or arrangements that are material to its advisory business or its clients with a related person who is a broker-dealer, investment company, other investment adviser or financial planner, bank, law firm or other financial entity.

## **FUTURE FINANCING**

As of the date of the Official Statement, the City does not currently anticipate issuing additional debt related to the System within the next six (6) months. The City anticipates issuing approximately \$18 million of general obligation debt in calendar year 2024.

The City periodically evaluates market conditions and outstanding financial obligations for refunding and refinancing opportunities and may issue refunding obligations if debt service savings can be achieved.

## **MISCELLANEOUS**

The information contained in this Official Statement has been compiled from City officials and other sources deemed to be reliable, and while not guaranteed as to completeness or accuracy, it is believed to be correct as of this date. However, the Official Statement speaks only as of its date, and the information contained herein is subject to change.

The references, excerpts, and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Bonds, the security for the payment of the Bonds and the rights and obligations of the owners thereof.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Neither this Official Statement nor any statement which may have been made orally or in writing is to be construed as a contract with the owners of the Bonds.

## **CERTIFICATION**

The City has authorized the distribution of the Preliminary Official Statement for use in connection with the initial sale of the Bonds and a Final Official Statement following award of the Bonds. The City certifies to the best of its knowledge and belief that this Official Statement, as of its date and as it relates to the City and its economic and financial condition, (i) is complete and accurate; (ii) does not contain any untrue statement of a material fact; and (iii) does not omit any material facts or information which would make the statements contained herein misleading.

**THE SEWER SYSTEM**

The Sanitary Sewer Utility (the “Sewer Utility”) is a public utility as defined by Section 66.0621 of the Wisconsin Statutes.

Currently, one Assistant Superintendent oversees the treatment facilities, lift stations, the plant laboratory, pretreatment program and the sludge land spreading program. A second Assistant Superintendent oversees the daily duties of the Sewer Department such as closed-circuit televising of the sewer systems, sewer system flushing, all facets of system maintenance, and development and upkeep of sewer-related records. These supervisors and other lead people report to the Wastewater General Superintendent, who in turn is under the Director of Engineering & Public Works, subject to the authority of the Mayor, Board of Public Works and the Common Council of the City of La Crosse (the “City”).

The Sewer Utility operates and maintains 26 sanitary sewer lift (pumping) stations, about 205 miles of sanitary sewers, and the Isle la Plume wastewater treatment plant that make-up the wastewater collection, conveyance, and treatment system serving the City.

The City accepts and treats sanitary wastes from the cities of La Crosse and Onalaska, from the Town of Campbell (French Island and Hiawatha Island), from portions of the Town of Shelby (Shelby Sanitary Districts No. 1 & No. 2) and, as of July 2008, from the City of La Crescent, Minnesota. Acceptance and treatment of these wastes are done under contract with those entities outside the City limits. As of the end of 2023, current contracts were in-place with the City of La Crescent and City of Onalaska, with such contracts extending to December 31, 2041, as may be extended for further subsequent terms upon consent of the respective parties. The City is working with Town of Campbell and Town of Shelby Sanitary District No. 2 to negotiate successor agreements for sewer service.

The first sewers in the City were installed in the 1880's and emptied directly into the Black and Mississippi Rivers. The City's first treatment plant was built on Isle La Plume in 1936 and provided primary treatment and disinfection. This facility was later expanded in 1958. In 1972 primary treatment capacity was doubled and secondary (biological) treatment facilities were added at a total cost of \$3.8 million. The City utilized available 80% Federal and State grants to cover a large portion of the construction costs. Significant additions and improvements have been completed at the Isle La Plume facility since 1972.

The City's Isle La Plume wastewater treatment facility operates under requirements of a five-year Wisconsin Pollutant Discharge Elimination System (WPDES) permit issued by the Wisconsin Department of Natural Resources. The WPDES permit specifies operating requirements and discharge limits to assure the quality of the water that is discharged to the Mississippi River. The Utility is in the second year of its current five-year WPDES permit.

The City's wastewater facility currently has excess treatment capacity. Flows to the plant averaged about 9.33 million gallons per day (MGD) in 2023, as compared to about 16 MGD in 1990 (before user fees were first implemented). The significant reduction in flow was due to industrial water conservation, City efforts to eliminate clear water inflow and infiltration into the system, and reduced production from City Brewery.

In addition to work at the wastewater treatment plant, projects totaling millions of dollars have been completed to rehabilitate or replace features of the sanitary sewer collection system.

**ANNUAL SEWER FLOW**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Flow (CCF)*	5,673,475.94	4,831,844.92	4,537,740.64	4,538,556.15	4,549,799.47
Flow (billion gallons)	4,243,760,000	3,614,220,000	3,394,230,000	3,394,840,000	3,403,250,000

\* CCF = 100 cubic feet, which equals 748 gallons.

**NUMBER OF SEWER CUSTOMERS BY CLASS AND YEAR**

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	13,384	13,406	13,440	13,473	13,477
Multi-Family Residential	757	768	768	772	764
Commercial	1,448	1,419	1,407	1,395	1,396
Industrial	81	99	100	101	103
Governmental	<u>179</u>	<u>184</u>	<u>184</u>	<u>185</u>	<u>186</u>
Total	15,848	15,876	15,899	15,926	15,926

**SEWER SYSTEM TOP TEN CUSTOMERS**

	<u>2023</u> <u>Amount Billed</u>	<u>2023</u> <u>Flow in Gallons</u>
City of Onalaska (Wholesale customer)(1)	\$1,838,592	554,628,146
City Brewery Complex (Retail customer)	1,319,111	462,768,900
Kwik Trip Complex Industrial Park (Retail customer)	569,878	222,322,804
Town of Campbell (Wholesale)	455,880	126,824,646
City of La Crescent (Wholesale)(1)	334,649	100,950,024
Gundersen Healthcare Complex (Retail customer)	247,308	83,128,980
Trane Company Complex (Retail customer)	141,710	57,052,204
Town of Shelby (Wholesale customer)	160,821	43,488,720
Crown Cork & Seal (Retail customer)	89,612	30,739,060
Great Lakes Cheese (Retail customer)	<u>90,858</u>	<u>32,823,736</u>
Total	\$5,248,419	1,714,727,220
Percent of 2023 Total	43.56%	50.38%

(1) The City has entered into agreements with the City of Onalaska, Wisconsin and the City of La Crescent, Minnesota for the sanitary sewerage conveyance and treatment, with such contracts extending to December 31, 2041, as may be extended for further subsequent terms upon consent of the respective parties to the contracts.

**SEWER CHARGES**

The City's Sewer Utility first went into effect in July of 1991. All properties discharging to the wastewater system, including tax exempt properties, are charged based on either the metered volume of water used or sewage discharged. Charges are calculated to recover the full cost of operating and maintaining the sanitary sewer collection and treatment system. Prior to 1991, these costs had been included in the property tax levy.

The sewer use charge structure includes fixed and volume charges for residential, multi-family residential, commercial, municipal, and industrial discharges that are billed on a quarterly basis. Additional charges for high strength wastes (surcharges), and charges for wastes that are trucked and disposed at the wastewater plant by licensed haulers is billed monthly.

The Sewer Utility implemented stepped increases over the past three (3) years with the last increase becoming effective on January 1, 2024. The three stepped increases were each over 18% and the rate study from October 2023 that recommended the last increase, also recommended a 3% inflationary increase each year beginning in 2025, until the next full rate review, which occurs every 5 years. The City has passed an Ordinance giving authority to the Sewer Utility to implement the 3% increase each year depending on changes to CPI and if needed as determined by the Sewer Utility.

Sewer System charges for the past five years are as follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Retail Sewage Service Charges	\$5,429,047	\$6,158,948	\$6,546,542	\$7,648,762	\$8,395,237
Wholesale Sewage Service Charges	1,429,928	1,418,129	1,693,643	1,938,315	2,738,589
Pre-Treatment Sewage Charges	115,269	252,790	83,710	86,076	101,077
Trucked Waste Sewage Charges	116,686	161,151	151,537	204,502	351,057
Miscellaneous Non-Operating Income	<u>170,471</u>	<u>219,198</u>	<u>222,845</u>	<u>357,730</u>	<u>461,971</u>
Total Revenue	\$7,081,401	\$8,210,216	\$8,698,277	\$10,235,385	\$12,047,931

#### **AVERAGE RESIDENTIAL SEWER UTILITY BILL**

The quarterly bill for an average residential customer for the past five years has been as follows:

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Average Quarterly Bill	\$36.42	\$40.84	\$40.84	\$47.30	\$51.55
Estimated Monthly Cost	\$12.14	\$13.61	\$13.61	\$15.77	\$17.18

#### **LIQUIDITY**

The following table shows the days of unrestricted cash on hand to pay operating and maintenance and administrative expenses for each of the past five years.

	<u>2019</u>	<u>2020</u>	<u>2021(1)</u>	<u>2022(2)</u>	<u>2023(3)</u>
Cash and Investments	\$1,924,058	\$3,195,114	\$60,494,742	\$72,101	\$3,123,151
Total Operating Expense (excluding depreciation)	5,821,043	5,407,387	5,496,040	5,099,929	5,729,431
Days Cash on Hand	121	216	4,018	5	199

(1) The reported cash and investments in the City Sewer Utility's audited Annual Financial Statements for the year ended December 31, 2021, were inflated with proceeds of the City's Bond Anticipation Notes, dated May 21, 2021, issued in anticipation of long-term funding for the City's wastewater treatment plant project.

(2) The reported cash and investments for the City's Sewer Utility for the year ended December 31, 2022 reflected cash that was used to pay for costs on a wastewater treatment plan project before such costs were reimbursed with funds from a subsidized loan from the State of Wisconsin Environmental Improvement Fund (EIF). Subsequent to December 31, 2022, and on January 11, 2023, the City received a cash disbursement of \$10,505,305.95 from the State's EIF as reimbursement for costs incurred by the Sewer Utility in 2022. The EIF award was made February 23, 2022 and requires the City to draw proceeds as or after costs are incurred.

(3) Unaudited information.

#### **OUTSTANDING DEBT OF THE SEWER SYSTEM**

<u>Dated Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 5-9-24</u>
2-23-22	\$65,064,233	Sewer Improvements	5-1-2041	\$65,064,233(1)
5-9-24	6,450,000	Sewer Improvements (the Bonds)	5-1-2044	<u>6,450,000(2)</u>
Total				\$71,514,233

(1) Represents full authorized loan amount. An estimated \$55,957,019 has been drawn down as of the date hereof.

(2) Preliminary; subject to change.

**DEBT SERVICE COVERAGE**

ORIGINAL PAR:	\$65,064,233	\$6,005,000	\$71,069,233		
Date (Calendar Year)	CWL 2022 (1)	Series 2024-A Bonds (2)	Total Debt Service	Coverage to 2022 Net Revenues (3)	Coverage to 2023 (Unaudited) Net Revenues (4)
2024	\$ 4,151,519.74	\$ 128,832.78	\$ 4,280,352.52	2.56	2.38
2025	4,151,519.74	450,025.00	4,601,544.74	2.38	2.22
2026	4,151,519.75	450,525.00	4,602,044.75	2.38	2.21
2027	4,151,519.75	450,525.00	4,602,044.75	2.38	2.21
2028	4,151,519.74	450,025.00	4,601,544.74	2.38	2.22
2029	4,151,519.75	449,025.00	4,600,544.75	2.38	2.22
2030	4,151,519.74	447,525.00	4,599,044.74	2.38	2.22
2031	4,151,519.75	445,525.00	4,597,044.75	2.38	2.22
2032	4,151,519.75	447,900.00	4,599,419.75	2.38	2.22
2033	4,151,519.74	449,525.00	4,601,044.74	2.38	2.22
2034	4,151,519.74	445,525.00	4,597,044.74	2.38	2.22
2035	4,151,519.74	445,900.00	4,597,419.74	2.38	2.22
2036	4,151,519.75	450,400.00	4,601,919.75	2.38	2.21
2037	4,151,519.74	445,800.00	4,597,319.74	2.38	2.22
2038	4,151,519.75	447,300.00	4,598,819.75	2.38	2.22
2039	4,151,519.75	448,200.00	4,599,719.75	2.38	2.22
2040	4,151,519.74	448,500.00	4,600,019.74	2.38	2.22
2041	4,151,519.74	448,200.00	4,599,719.74	2.38	2.22
2042	-	447,300.00	447,300.00	24.47	22.79
2043	-	445,800.00	445,800.00	24.55	22.86
2044	-	443,700.00	443,700.00	24.67	22.97
Total	\$ 74,727,355.40	\$ 9,086,057.78	\$ 83,813,413.18		

(1) Debt service estimates for the Sewerage System Revenue Bonds, Series 2022 (Wisconsin Clean Water) assumes amortization of the full authorized loan amount of \$65,064,233.

(2) Preliminary; subject to change.

(3) 2022 Net Revenue calculation shows operating revenues adjusted by applying the new sewer rates adopted by the City December 4, 2023, effective January 1, 2024 as provided by Trilogly Consulting, LLC.

**2022 Net Revenue Calculation**

Operating Revenues	\$15,952,811
Operating Expenses	(6,301,421)
Net Operating Income	\$9,651,390
Add Back Depreciation	1,201,492
Nonoperating Revenues	92,593
<b>Net Revenues Available for Debt Service</b>	<b>\$10,945,475</b>

(4) 2023 Net Revenue calculation uses unaudited information, but operating revenues adjusted by applying the new sewer rates adopted by the City on December 4, 2023, effective January 1, 2024, as provided by Trilogly Consulting, LLC.

**2023 Net Revenue Calculation (Unaudited)**

Operating Revenues	\$15,719,870
Operating Expenses	(6,771,831)
Net Operating Income	\$8,948,039
Add Back Depreciation	1,042,400
Nonoperating Revenues	202,755
<b>Net Revenues Available for Debt Service</b>	<b>\$10,193,194</b>



## **FINANCIAL STATEMENTS**

The Sewer System's financial operations are accounted for as an enterprise fund in the City's financial statements. The tables on the following pages provide the "Statement of Net Position" and "Statement of Revenues, Expenses, and Changes in Net Position" for the fiscal years ended December 31, 2018 through 2022 for the City's Sewer Utility Fund and the debt service and coverage. The financial statement information was taken from the City's Annual Financial Statements. (The City's Annual Financial Statements for the fiscal year ended December 31, 2023 are not yet available).

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CITY OF LA CROSSE, WISCONSIN

SEWER UTILITY  
STATEMENT OF NET POSITION  
For the Years Ended December 31,

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash and investments	\$ 3,195,114	\$ 60,494,742	\$ 72,101
Accounts receivable			
Customer	1,508,547	1,525,372	2,040,020
Other	45,982	43,022	44,750
Taxes	73,475	200,595	185,329
Inventories	6	6	6
Prepays	965	1,014	771
<b>RESTRICTED ASSETS</b>			
Cash	987,790	1,841,955	1,908,626
<b>TOTAL CURRENT ASSETS</b>	<u>5,811,879</u>	<u>64,106,706</u>	<u>4,251,603</u>
<b>NONCURRENT ASSETS</b>			
Capital assets (net of accumulated depreciation)			
Capital assets not being depreciated	4,984,756	15,939,739	44,613,416
Capital assets being depreciated	34,136,224	35,438,216	36,587,382
<b>NET CAPITAL ASSETS</b>	<u>39,120,980</u>	<u>51,377,955</u>	<u>81,200,798</u>
<b>OTHER ASSETS</b>			
Wisconsin Retirement System net pension	216,876	410,703	562,946
Advances to other funds	82,966	20,728	20,728
<b>TOTAL OTHER ASSETS</b>	<u>299,842</u>	<u>431,431</u>	<u>583,674</u>
<b>TOTAL NONCURRENT ASSETS</b>	<u>39,420,822</u>	<u>51,809,386</u>	<u>81,784,472</u>
<b>TOTAL ASSETS</b>	<u>45,232,701</u>	<u>115,916,092</u>	<u>86,036,075</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Wisconsin Retirement System pension	510,683	684,262	1,099,320
Wisconsin Retirement System LRLIF	130,993	212,409	143,479
OPEB healthcare	86,716	55,855	48,603
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u>728,392</u>	<u>952,526</u>	<u>1,291,402</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<u>\$ 45,961,093</u>	<u>\$ 116,868,618</u>	<u>\$ 87,327,477</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>			
<b>LIABILITIES</b>			
<b>CURRENT LIABILITIES</b>			
Accounts payable	\$ 1,212,591	\$ 3,199,737	\$ 2,587,210
Accrued liabilities			
Payroll	48,683	52,213	43,398
Interest	31,721	132,909	66,671
Current portion of long-term obligations	1,502,593	1,548,163	304,463
<b>TOTAL CURRENT LIABILITIES</b>	<u>2,795,588</u>	<u>4,933,022</u>	<u>3,001,742</u>
<b>NONCURRENT LIABILITIES</b>			
Long-term obligations	2,740,463	69,826,897	26,335,898
Advances from other funds	-	-	10,100,000
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>2,740,463</u>	<u>69,826,897</u>	<u>36,435,898</u>
<b>TOTAL LIABILITIES</b>	<u>5,536,051</u>	<u>74,759,919</u>	<u>39,437,640</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Wisconsin Retirement System pension	651,479	899,932	1,325,580
Wisconsin Retirement System LRLIF	54,196	60,780	57,626
OPEB healthcare	524,133	340,856	241,370
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,229,808</u>	<u>1,301,568</u>	<u>1,624,576</u>
<b>NET POSITION</b>			
Net investment in capital assets	36,438,687	42,235,981	55,771,193
Restricted for other	1,204,666	2,252,658	2,471,572
Unrestricted (deficit)	1,551,881	(3,681,508)	(11,977,504)
<b>TOTAL NET POSITION</b>	<u>39,195,234</u>	<u>40,807,131</u>	<u>46,265,261</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<u>\$ 45,961,093</u>	<u>\$ 116,868,618</u>	<u>\$ 87,327,477</u>

Source: City of La Crosse, Wisconsin Financial Statements for fiscal years December 31, 2020 through 2022.

CITY OF LA CROSSE, WISCONSIN

SEWER UTILITY  
STATEMENT OF NET POSITION  
For the Years Ended December 31,

	<u>2018</u>	<u>2019</u>
<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>		
ASSETS		
CURRENT ASSETS		
Cash and investments	\$ 1,760,648	\$ 1,924,058
Restricted cash	2,737,970	1,401,127
Taxes receivable	210,245	194,850
Accounts receivable	1,240,025	1,419,644
Loans	-	18,050
Inventories	6	6
Prepays	627	785
TOTAL CURRENT ASSETS	<u>5,949,521</u>	<u>4,958,520</u>
NONCURRENT ASSETS		
CAPITAL ASSETS		
Property, plant, and equipment	49,465,226	50,275,439
Construction in progress	2,025,626	5,127,109
TOTAL CAPITAL ASSETS	<u>51,490,852</u>	<u>55,402,548</u>
Less accumulated depreciation	<u>18,779,382</u>	<u>19,658,236</u>
NET CAPITAL ASSETS	<u>32,711,470</u>	<u>35,744,312</u>
OTHER ASSETS		
Net pension asset	196,462	-
Advances to other funds	158,967	82,966
TOTAL OTHER ASSETS	<u>355,429</u>	<u>82,966</u>
TOTAL NONCURRENT ASSETS	<u>33,066,899</u>	<u>35,827,278</u>
TOTAL ASSETS	<u>39,016,420</u>	<u>40,785,798</u>
DEFERRED OUTFLOWS OF RESOURCES		
Healthcare OPEB	-	28,486
Wisconsin Retirement System LRLIF	22,808	57,412
Wisconsin Retirement System pension	580,413	1,114,057
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>603,221</u>	<u>1,199,955</u>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 39,619,641</b>	<b>\$ 41,985,753</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>		
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 116,775	\$ 226,508
Accrued liabilities	79,257	78,674
Compensated absences	122,573	134,926
Current portion of post-employment benefits	-	87,180
TOTAL CURRENT LIABILITIES	<u>318,605</u>	<u>527,288</u>
NONCURRENT LIABILITIES		
Net pension liability	-	261,647
Post-employment benefits	2,450,580	2,301,296
TOTAL NONCURRENT LIABILITIES	<u>2,450,580</u>	<u>2,562,943</u>
TOTAL LIABILITIES	<u>2,769,185</u>	<u>3,090,231</u>
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue - tax roll	\$ -	\$ 18,050
Healthcare OPEB	529,313	383,001
Wisconsin Retirement System LRLIF	2,926	100,059
Wisconsin Retirement System pension	600,529	760,703
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,132,768</u>	<u>1,261,813</u>
NET POSITION		
Net investment in capital assets	32,711,470	35,744,312
Restricted for capital improvement	2,737,970	933,335
Restricted for other	196,462	-
Unrestricted	71,786	956,062
TOTAL NET POSITION	<u>35,717,688</u>	<u>37,633,709</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>\$ 39,619,641</b>	<b>\$ 41,985,753</b>

Source: City of La Crosse, Wisconsin Financial Statements for fiscal years December 31, 2018 through 2019.

**CITY OF LA CROSSE, WISCONSIN**  
**SEWER UTILITY**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**

For the Years Ended December 31,

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>OPERATING REVENUE</b>			
Charges for services	\$ 8,049,755	\$ 8,505,362	\$ 10,035,715
Other revenue	82,502	42,846	131,071
<b>TOTAL OPERATING REVENUE</b>	<u>8,132,257</u>	<u>8,548,208</u>	<u>10,166,786</u>
<b>OPERATING EXPENSES</b>			
Plant and maintenance expenses:			
Salaries and wages	1,008,130	1,487,099	1,151,186
Supplies and expenses	2,400,948	2,386,222	2,396,679
Repairs and maintenance	1,006,750	446,068	469,255
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<u>4,415,828</u>	<u>4,319,389</u>	<u>4,017,120</u>
General expenses:			
Office supplies and other expenses	2,745	5,499	6,702
Outside services employed	797,424	685,731	728,773
Insurance expense	87,220	105,444	127,314
Miscellaneous general expenses	4,915	277,723	112,627
Transportation	11,727	13,043	11,901
<b>TOTAL GENERAL EXPENSES</b>	<u>904,031</u>	<u>1,087,440</u>	<u>987,317</u>
Depreciation	1,090,654	1,186,726	1,201,492
Taxes	87,528	89,211	95,492
<b>TOTAL OPERATING EXPENSES</b>	<u>6,498,041</u>	<u>6,682,766</u>	<u>6,301,421</u>
<b>OPERATING (LOSS) INCOME</b>	<u>1,634,216</u>	<u>1,865,442</u>	<u>3,865,365</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	23,703	172,871	92,593
Miscellaneous revenue	19,142	578	1,314
Sale of capital assets	(60,984)	35,171	73,838
Interest expense	(32,090)	(435,289)	(320,566)
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<u>(50,229)</u>	<u>(226,669)</u>	<u>(152,821)</u>
<b>(LOSS) INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	1,583,987	1,638,773	3,712,544
<b>OPERATING TRANSFER IN (OUT)</b>	(26,193)	(26,876)	(4,414)
<b>CAPITAL CONTRIBUTIONS</b>	<u>3,731</u>	<u>-</u>	<u>1,750,000</u>
<b>CHANGES IN NET POSITION</b>	1,561,525	1,611,897	5,458,130
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>37,633,709</u>	<u>39,195,234</u>	<u>40,807,131</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 39,195,234</u>	<u>\$ 40,807,131</u>	<u>\$ 46,265,261</u>

Source: City of La Crosse, Wisconsin Financial Statements for fiscal years December 31, 2020 through 2022.

**CITY OF LA CROSSE, WISCONSIN**  
**SEWER UTILITY**  
**STATEMENT OF REVENUES, EXPENSES AND**  
**CHANGES IN NET POSITION**

For the Years Ended December 31,

	<b>2018</b>	<b>2019</b>
<b>OPERATING REVENUE</b>		
Charges for services	\$ 6,552,312	\$ 6,783,493
Intergovernmental charges for services	349,793	384,151
Miscellaneous	76,644	67,530
<b>TOTAL OPERATING REVENUE</b>	<b>6,978,749</b>	<b>7,235,174</b>
<b>OPERATING EXPENSES</b>		
Operations	3,630,408	4,315,511
Maintenance	992,312	1,028,153
General and administrative	192,504	383,790
Depreciation	1,478,827	1,052,312
Taxes	89,591	93,589
<b>TOTAL OPERATING EXPENSES</b>	<b>6,383,642</b>	<b>6,873,355</b>
<b>OPERATING (LOSS) INCOME</b>	<b>595,107</b>	<b>361,819</b>
<b>NON-OPERATING (EXPENSES) REVENUES</b>		
Interest income	186,261	110,911
Gain (loss) on disposal of capital assets	34,725	(31,278)
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<b>220,986</b>	<b>79,633</b>
<b>(LOSS) INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<b>816,093</b>	<b>441,452</b>
<b>TRANSFER IN</b>	<b>1,230,998</b>	<b>-</b>
<b>TRANSFER (OUT)</b>	<b>(2,191,330)</b>	<b>(83,995)</b>
<b>CHANGES IN NET POSITION</b>	<b>(144,239)</b>	<b>357,457</b>
<b>NET POSITION - BEGINNING</b>	<b>39,021,892</b>	<b>35,717,688</b>
<b>PRIOR PERIOD ADJUSTMENT</b>	<b>-</b>	<b>625,229</b>
<b>EQUITY TRANSFER</b>	<b>-</b>	<b>933,335</b>
<b>CHANGE IN ACCOUNTING PRINCIPLE</b>	<b>(3,159,965)</b>	<b>-</b>
<b>NET POSITION - ENDING</b>	<b>\$ 35,717,688</b>	<b>\$ 37,633,709</b>

Source: City of La Crosse, Wisconsin Financial Statements for fiscal years December 31, 2018 through 2019.

**GENERAL INFORMATION OF THE CITY**

The City of La Crosse, county seat of La Crosse County, is located in southwest central Wisconsin on the Mississippi River. The City is approximately 150 miles southeast of the Minneapolis/Saint Paul, Minnesota metropolitan area; approximately 130 miles northwest of the City of Madison, Wisconsin; and approximately 128 miles northwest of the City of Dubuque, Iowa. The City serves as a regional center for retail, wholesale, manufacturing, cultural, medical and educational activities for the tri-state region. The City encompasses an area of approximately 22.31 square miles (14,278 acres).

**Population**

	<u>Population</u>	<u>% Change</u>
2023 (State Estimate)	51,978	(1.33)%
2020 (Census)	52,680	2.65
2010 (Census)	51,320	(0.96)
2000 (Census)	51,818	1.34
1990 (Census)	51,132	--

Source: U.S. Census Bureau, <http://www.census.gov/> (1990 - 2020); Wisconsin Demographic Services Center, <http://www.doa.state.wi.us/> (2023).

The City’s population by age group for the past five years is as follows:

<u>Data Year/ Report Year</u>	<u>0-17</u>	<u>18-34</u>	<u>35-64</u>	<u>65 and Over</u>
2022/23	6,560	18,556	16,397	9,084
2021/22	8,606	18,012	15,977	8,379
2020/21	8,559	18,136	15,638	8,071
2019/20	8,647	18,715	15,598	7,919
2018/19	8,697	19,211	15,678	7,867

Source: Claritas, Inc.

**Transportation**

Interstate Highway 90 traverses the City east to west along the northern edge of the City. Other highways that cross the City include State Highways 33, 16, 157, and 35 and U.S. Highways 53, 61, and 14.

The City owns and operates a municipal airport located two miles northwest of the City. The airport is more fully described in the section herein entitled “GOVERNMENTAL ORGANIZATION AND SERVICES – Regional Airport.”

An inter-city bus system runs between the City of Madison, Wisconsin, through the City, to the Minneapolis/Saint Paul metropolitan area. The City also has a local bus line that transports residents throughout the City.

Passenger rail service is provided by Amtrak. Burlington Northern Santa Fe and the Soo Line provide rail service for freight.

The City is also served by water transportation facilities with barge terminals located on the Black and Mississippi Rivers.

## Employment

The following are the major employers within the City.

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Gundersen Lutheran Medical Center/ Gundersen Clinic	Medical clinics/hospital	8,122
Kwik Trip (Corporate Office)	Convenience stores	5,327
Mayo Clinic Health System – Franciscan Healthcare	Medical clinics/hospital	2,860
The Trane Company (Corporate Office)	Air conditioning/heating equipment	1,600
University of Wisconsin-La Crosse	Education	1,308
La Crosse County	Government	1,173(1)
La Crosse School District	Education	1,161(1)
Western Technical College	Education	1,090(1)
Optum Health	Medical services provider	809
Century Link	Telephone utility	800

(1) Includes seasonal and part-time employees.

Source: The City.

## Labor Force Data

	<u>Annual Average</u>				<u>December</u>
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Civilian Labor Force:					
La Crosse-Onalaska					
WI-MN MSA	76,655	76,269	76,845	76,786	79,600
La Crosse County	66,220	65,817	66,483	66,334	68,950
State of Wisconsin	3,111,729	3,094,716	3,099,768	3,082,128	3,124,860
Unemployment Rate:					
La Crosse-Onalaska					
WI-MN MSA	2.8%	5.3%	3.1%	2.4%	2.2%
La Crosse County	2.8	5.5	3.1	2.5	2.2
State of Wisconsin	3.2	6.4	3.8	2.9	2.7

Source: State of Wisconsin Department of Workforce Development, <https://jobcenterofwisconsin.com/wisconomy/>. 2023 figures are preliminary.

## Retail Sales and Effective Buying Income (EBI)

### City of La Crosse

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$1,531,197	\$1,317,738	\$45,644
2021/22	1,363,948	1,259,150	45,323
2020/21	1,291,042	1,180,637	41,861
2019/20	885,292	1,122,238	40,949
2018/19	850,028	1,068,625	38,641

La Crosse County

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$3,598,812	\$3,564,070	\$55,906
2021/22	2,363,560	3,510,836	56,092
2020/21	2,381,327	3,351,673	53,080
2019/20	2,843,721	3,192,739	50,053
2018/19	2,712,167	3,012,674	48,509

State of Wisconsin

<u>Data Year/ Report Year</u>	<u>Total Retail Sales (\$000)</u>	<u>Total EBI (\$000)</u>	<u>Median Household EBI</u>
2022/23	\$127,787,844	\$193,257,547	\$62,373
2021/22	119,904,791	188,135,144	61,492
2020/21	108,520,084	162,829,775	53,494
2019/20	118,190,154	159,145,560	52,483
2018/19	111,339,500	150,347,784	50,557

The 2022/23 Median Household EBI for the United States was \$64,600.

Source: Claritas, Inc.

**Summary of Building Permits**

<u>Year</u>	<u>New Residential</u>	<u>Other Residential</u>	<u>Mercantile/ Manufacturing</u>	<u>Total Value</u>	<u>Total Permits</u>
2023	\$33,473,207	\$5,860,242	\$42,412,399	\$81,745,848	270
2022	21,377,744	5,347,718	84,817,428	111,542,890	1343
2021	16,209,700	6,013,401	133,842,758	156,065,859	876
2020	9,026,215	3,345,636	46,629,613	59,001,464	970
2019	4,519,800	1,474,585	18,177,610	24,171,995	196
2018	17,465,348	3,354,768	61,510,204	82,330,320	933
2017	13,239,628	3,354,291	89,335,575	105,929,494	1,044
2016	9,939,015	3,446,075	56,914,106	70,299,196	1,055
2015	7,967,793	3,461,925	83,978,703	95,408,421	1,105
2014	6,746,056	3,201,384	100,645,648	110,593,088	1,158

Source: Community Risk Management.

**Community Development and Revitalization Efforts**

The City has made significant strides in community development and revitalization over the last 30 years. Hundreds of millions of dollars have been invested in the City's central business district over the past decade, driving unprecedented investor interest in the City's downtown today. The City has focused community revitalization efforts on its national award-winning downtown (National Trust for Historic Preservation - National Main Street Award), its neighborhoods, waterfront, trails, parks, and open space. The City has the following rankings noted in the last five years:

- 2018: *Livability* Best Affordable Places to Live
- 2021: Audrey Nelson Community Development Achievement Award from the National Community Development Association
- 2022: Creative Community Champion Award from Create Wisconsin
- 2022: Named the 4<sup>th</sup> best small college town in the nation by Preply



The City also enjoys an active and collaborative partnership with its three higher education institutions: University of Wisconsin-La Crosse, Viterbo University, and Western Technical College. The presence of these institutions gives the City a distinct advantage in attracting and retaining its labor force.

### **Revitalization Initiatives**

The City's revitalization efforts in Planning and Community Development play a significant role in the City being a desirable place to live and do business. Long-range planning, project planning and cooperative design review of new projects is impacting development and redevelopment in the City. The City's Heritage Preservation Commission, Economic and Community Development Commission, Neighborhood Revitalization Commission, Redevelopment Authority, and the Arts Board all work to focus community revitalization efforts.

The principal tool that communities in Wisconsin use to stimulate development and redevelopment is the use of Tax Incremental Financing (TIF). The City proactively employs a variety of other tools including Façade Improvement Grant Programs, the La Crosse Industrial Park Corporation (via a partnership with the La Crosse Area Development Corporation and Kwik Trip) and a Housing and Urban Development (HUD) funded Revolving Loan Fund, in partnership with the Wisconsin Women's Business Initiative Corporation. The City has taken a significant step in neighborhood revitalization with the creation of five neighborhood plans. Key City-wide programs include paint and fix-up programs for homeowners, low-interest rehabilitation loans funded by HUD, and a home construction program funded with HUD, HOME and CDBG funds as well as city loans from the State Trust Fund. This unique partnership with Western Technical College allows for the construction of affordable homes while creating training opportunities for the workforce. The City has also re-allocated Tax Increment District (TID) increment to housing and floodplain redevelopment funding within the City. Neighborhood enhancement/preservation initiatives have been incorporated into the City's Neighborhood Revitalization Commission, aimed to improve single-family owner-occupied neighborhoods and the creation of additional multi-family units.

The City has an active Redevelopment Authority (RDA) which is capitalized for redevelopment programs; the RDA is primarily focused on revitalizing the City's waterfront and former industrial areas in and around downtown. The RDA's primary redevelopment focus is currently on River Point District, a 30-acre developable site that is expected to include 500-800 housing units and commercial, office and retail opportunities. The City has five National Register of Historic Place-Districts, which provide a mechanism for economic development, downtown redevelopment, and neighborhood revitalization. The Heritage Preservation Commission provides the leadership and tools to foster economic development through preservation activities. The City Council recently approved funding for a comprehensive housing study to be conducted for the City. The intent of this study is to guide housing reinvestment strategies in the City. The City partners with the private sector, public agencies, and non-profit partners to aggressively redevelop distressed housing stock in the City.

The City has twelve active Tax Incremental Districts (TIDs), none of which are distressed. TIDs #18, #19, and #20 were created in 2020. TID #21 was created in 2023. In 2022, the aggregate total increment value stands at \$733,195,100.

**TID #10** is a joint project between the City and La Crosse County as a means to redevelop the former Holiday Inn (Park Plaza Area). This TID has resulted in an increase in value of \$11,989,000 since its inception in June 2003. The site, containing over 12 acres and located adjacent to the City's Pettibone Park along the Mississippi River, has great long-term redevelopment potential. TID dollars have been allocated for retrofitting storm/sewer connections throughout the site. The City decommissioned a package sewer treatment plant in 2014 as the area now has water and sewer connections from the "mainland". The County sold its parcel on this site in December 2014 for redevelopment, and developers have constructed a 26-unit condominium development.

**TID #11** was created to stimulate redevelopment in the area near the Mississippi River Bridge where U.S. Highways 14/61 enters downtown. TID #11 was created in 2004 and was amended in 2005, 2007, and 2014. TID #11 has produced \$237,604,500 in tax increment since inception. The City has completed several redevelopment projects including the Riverside Center I, II, and III office buildings; and two restaurants. Other redevelopment projects include the extension of the Riverwalk, a boat landing for

excursion boats, the \$1.5 million historic renovation of the Rodolf building at the corner of 3rd and Main Streets, and a 300-car space addition to the Civic Center Parking ramp (a City-owned parking structure). The City's \$32 million Transit Center, known as Grand River Station, opened in August of 2010. This mixed-use project includes retail, parking, 20 market rate apartments, 70 units of affordable housing, and the transit center. It was funded by the City, the developer, and the Wisconsin Housing and Economic Development Authority (WHEDA). In 2014, the City amended the boundary of TID #11 and leveraged \$25,000,000 in developer equity to redevelop the former Funke Candy Company into a historic boutique hotel, which opened in September 2015. The Charmant Hotel was the site of recent presidential candidate visits and is a beautiful-destination in the City, winning numerous awards recognizing the beauty and quality of the hotel. Additional recent development in TID #11 includes the 100+ room, \$8 million Hilton Home2 Suites along with a multi-million-dollar expansion of the Riverside Center Parking structure. Additional renovations have been occurring due to the successful Elevate Façade program.

**TID #12** is known as the Three Rivers Plaza TID. It was created in late 2005 to stimulate the redevelopment of a 20-acre site (located in the floodplain) that once housed a mix of mini warehouses, a vacant used-car lot and building, a former lumber yard building and several other under-utilized buildings. The site was also used as an area of outdoor storage of wrecked autos, metal, and lumber. The area was removed from the floodplain and the first two phases of redevelopment are complete. The increment value for this TID is \$29,493,400. This redevelopment includes a 60,000 square-foot grocery store, 20,000 square-foot strip commercial center, 44 condominiums, a 30,000 square-foot office building, a Candlewood Suites Hotel, removal of an intrusive billboard, and the renovation of the former Standard Oil building as an office building.- This project also included raising the site out of the floodplain and provided a new level of flood protection. The City completed a bicycle pedestrian trail from the development site to the north, which connects the north side neighborhoods to this mixed-use center (the City received a DNR Trail Grant for this purpose in 2010). The City contributed over \$6 million in the form of a TIF Grant (via a Developer's Agreement) and \$750,000 of public improvements to the street system including streetscaping. The City also leveraged a \$183,600 State trail grant in 2011 to connect the waterfront of the Mobil Oil site to the La Crosse River Trail, Riverside Park, and the greater downtown area. The City amended the boundary of this TID to include a 65-acre waterfront redevelopment site located directly north of historic downtown, now called as River Point District. In 2013, the City obtained a \$250,000 DNR Remediation Clean-Up Grant, matched with \$396,000 in TID funds, to prepare the site for redevelopment. In 2014, the City produced a Master Redevelopment Plan for River Point District, and in concert with the City's Redevelopment Authority, has continued to redevelop the master plan which calls for 800 housing units and additional office, commercial and public development.

**TID #13** was created in 2006 for Kwik Trip to expand its commissary and add over 100 employees. The TID has generated \$167,578,900 since inception. The project involved vacating a street and constructing a new street with the aid of a Wisconsin Department of Transportation Economic Assistance (TEA) grant for \$400,000. The project area also includes a residential project. This TID is a "mixed use TID" under Wisconsin's TIF statutes. Kwik Trip has acquired other properties in the area for future expansion projects. In 2012, Kwik Trip finished an ice cream plant that produces three times as much ice cream as before. An alternative fueling station was finished in 2012, and by amending TID #13 in 2012, other expansions to Kwik Trip's dairy, warehouse, and bakery were estimated to add \$32 million of increment value. In 2013, the TID allocated \$450,000 to acquire contaminated property (Desmond's Formal Wear and the Al Miller property) for an \$11 million expansion of the bakery freezer for Kwik Trip. The City received a \$250,000 loan from the Department of Natural Resources to remediate the contaminated soil from the dry-cleaning operation of Desmond's Formal Wear. Kwik Trip also completed a 6,000 square-foot clinic for their employees in 2013, with an estimated value of over \$1 million. The City also gave a \$300,000 pay-as-you-go TIF grant to Gorman & Company to complete a 32-unit rehabilitation of the historic Roosevelt Elementary school to create affordable housing in the City which is now complete and fully leased. The \$7 million expansion for DuraTech, which added over 100 employees, is complete, and Kwik trip continues to expand and invest hundreds of millions of dollars to this area. In addition, the City has acquired and demolished homes in the flood plain to make way for new development.

**TID #14** was created in 2006 and it includes the Gundersen Health System Campus as well as a portion of the Powell-Poage Park, Hamilton School Neighborhood. The TID has generated \$76,346,600 since its inception. This TID is also a mixed-use TID and assisted Gundersen Health System in the construction of a parking ramp and clinic improvements. In 2013, Gundersen Health System completed a new psychiatric

facility along with a new parking ramp and, in 2014, opened a new six-story hospital including a medical and oncology unit, surgical and digestive care unit, obstetrics unit, neonatal ICU, pediatric ICU, pediatrics unit, neuroscience unit, orthopedics unit, medical specialist unit, satellite rehab gym, critical care unit, patient and visitor terrace, employee terrace, pre-op/post-op, post anesthesia care unit, operating rooms, imaging services, lobby bistro, gift shop, healing garden, information desk and library. The City is also partnered with an innovative program called La Crosse Promise whereby the City clears the lot and then a family or developer builds on the lot and is then eligible for a college scholarship. Several alleys have been paved because of TID #14, streetscaping and lighting has been greatly improved and other park improvements including major upgrades to the indoor ice arena are ongoing. The paint and fix-up program was implemented in 2013 to assist with small-scale exterior improvement projects. The City also collaborated with Gunderson Health System and Habitat for Humanity to construct homes on vacant City land. In 2011, a tornado passed through the City hitting the TID especially hard. In 2013, Bentz Chiropractic completed an infill development of the 4th and Jackson site for a new office building. The TID was amended in 2012 to add several new projects to the TID Project Plan without changing the TID boundary. Another TID Plan amendment occurred in 2014 to update the TID Project Plan as a result of a City/Gundersen/Neighborhood Planning effort. The boundary was also amended in 2017. Improvements have been a major makeover of Poage Park, Powell Park, the Green Island Ice Arena, Little Houska Park, the 7th St Boat Landing, the Southside Neighborhood Center, the VIP Trail, and Bluff Slough/Swift Creek, as well as the creation of a Joint Community Development Corporation. MetroPlains completed a historic rehab of an Armory building to create 26 units utilizing Low-Income Housing Tax Credits for income-qualified and market rate apartments. Additionally, the City invested \$1.2 million in the central neighborhood park, George Poage Park, which is named after the first medal winning African American Olympian who resided in the City in the early 20<sup>th</sup> century. In 2016, the Wisconsin Economic Development Association awarded the City with the Community Economic Development award for the work done in this neighborhood. The City also continues to leverage TIF funds with CDBG and other funding to replace and rehab homes in this neighborhood area, which has resulted in over 75 new homes built or significantly rehabbed, both by the City and private partners. The City acquired a key property (Abraham-Zahn Building) adjacent to city-owned property for a redevelopment housing-mixed use project with the Joint Development Corporation partnership. Farnam Flats broke ground in May 2020 and opened in June 2021.

**TID #15** was created in 2013 to leverage funds for the Chart Chemical, Inc. industrial expansion. Trane/Ingersoll-Rand committed to expend a minimum of \$55,000,000 to rehabilitate their properties and modernize manufacturing equipment signaling the company's commitment to the City and its workforce. The Project Plan includes neighborhood revitalization initiatives intended to spur redevelopment projects in underutilized locations. The TID has generated \$62,707,900 since its inception. In 2019 the TID project plan was amended to continue the neighborhood's renovation and rehab program, anticipating similar neighborhood revitalization that has been seen around TID 14. To date, twelve loans projects have started or completed under this program.

**TID #16** was created in 2014 to prepare a 12-acre redevelopment site located in the heart of the City's north side, coined the Trane Plant 6 TID. This TID includes Pearl Street Brewery and The Indian Hill Lofts, located in the former La Crosse Rubber Mills building. This TID is zoned Planned Development. In 2022, the developer of the 10-acre former Trane Plant 6 site began construction on a mixed-use transit-orientated development. Through the support of the Wisconsin Department of Natural Resources Brownfield Funding Program, the site has been cleared of all the buildings and further site preparation projects were completed in 2015. The TID has generated \$39,835,100 since its inception. The Fenigor Group LLC has redeveloped the historic La Crosse Rubber Mills into 65 urban apartments with an estimated \$3.5M investment. A few blocks from this site, also in the TID, Impact Seven completed a development which includes 50 income-qualified and market rate housing units and a community center which can be used by community organizations.

**TID #17** was created in 2015 and is located on the north side of the City's downtown and has generated \$107,040,200 since its inception. The goal of TID #17 is to assist with the redevelopment and revitalization of the downtown area through various projects. The primary impetus for TID #17 was the new construction of a parking structure in the north downtown area. Public parking has been identified as a primary need to complement existing and future commercial activities in and around the area, which is being immediately driven by the redevelopment of Lot C into the Belle Square apartment and office building, a \$68 million, 6-story mixed use development, which includes 110,000 square feet of office space, 93 luxury downtown

apartments and 30,000 square feet of retail space. The office space houses Gundersen Health System employees, Gensler, ViaroHealth, Cowgill Dental, and United Health Care, adding several thousand jobs in downtown. The City also projects that additional land improvements will be created as a result of new development, redevelopment, and appreciation in the value of existing properties through the use of this TID. A \$35 million mixed, adaptive re-use of the La Crosse Plow building which spans two City blocks and include retail, residential and interior parking opened in mid-2019 and is called Landmark by the Rivers. In 2018, the award-winning La Crosse Distilling Company opened and is assessed at over \$1 million more than the building that was previously assessed there.

**TID #18** was created in 2020 and is known as the River Point District TID. River Point District is currently being developed as a vibrant, contemporary, mixed-use waterfront neighborhood where abundant natural surroundings create opportunities for unique community amenities and inspiring development. Approximately 800 housing units are estimated to offer all people comfortable, accessible homes. River Point District will also help strengthen the local economy with dedicated locations for offices, shops, and restaurants.

**TID #19** was created in 2020 to spur redevelopment at a vacant former retail site that closed in 2017. A current development is in the planning and design stages. It is expected to create 216 residential units, and the total cost of the project is estimated at \$50 million.

**TID #20** was created in 2020 to spur redevelopment at a vacant former retail site.

**TID #21** was created in 2023 to spur redevelopment in a former public middle school that was recently closed.

### **Federal and State Funds and Additional Partners**

Transit Administration and City general obligation bond issues have financed portions of a number of the TID projects discussed above. The focal point of revitalization efforts has been the Central Business District as a result of developing a master plan for Downtown entitled City Vision 2020 and TID numbers 1, 6, 10, and 11 and 17. Implementation activities include streetscaping, a decorative sign program, façade rehabilitation, creation of a National Register Historic District, and building construction projects totaling \$400 million in public and private investments within the last ten years. Last year the City completed a new master plan for the Downtown entitled Imagine 2040. It has also completed a comprehensive plan in 2002 and has since created an Economic Development Strategic Plan, a Historic Preservation Plan for the Downtown National Register of Historic Places (NRHP) District as well as the 10th and Cass NRHP District, and marketing plan for the downtown and the City.

One major responsibility of the City is the management of the Community Development Block Grant (CDBG) Program. The City presently receives approximately \$856,187 in funds annually which are invested in the community in such programs as housing rehabilitation, new housing construction, Americans with Disabilities Act (ADA) compliance, support to nonprofit organizations, and long-range planning. The City completed a project to create design development standards for commercial developments and multifamily projects in order to improve the architecture and neighborhoods surrounding higher density projects. The City also receives Housing and Urban Development (HUD) HOME dollars annually and has utilized those funds for new housing construction in many neighborhoods in the City.

The City has spent considerable time on its neighborhoods with the completion of 12 neighborhood plans, and the construction of over 50 single-family homes under the City's Replacement Housing Program, which won a national award in 2000 and has added over \$3.8 million in new tax base and built homes for over 50 low/moderate income families. The City also created the Housing Replacement Program using Wisconsin State Trust Funds as means to encourage middle income families to move into the City. The revitalization of the City's five oldest neighborhoods is the hallmark of the community revitalization process. The City established two additional National Register of Historic Places (NRHP) residential districts in 2011 which is expected to further reinvestment in these two areas: Crowley Addition and the Edgewood Place subdivision. In addition, the City now has a Lead-Safe Homes Grant Program for over \$350,000 annually, to make lead-safe homes repairs.

The City's Neighborhood Revitalization Commission is moving forward to renew the City's neighborhoods using its action plan. Other projects completed include a Bicycle/Pedestrian Plan which is expected to move the City from Silver to Gold designation by the League of American Bicyclists. The City was designated a Bronze Walk Friendly City in 2013 and is also a Bird City Wisconsin designated community.

Additionally, the City has deployed a floodplain relief program to encourage the redevelopment of lands in the floodplain and is working with the building and development community on several projects, including the Garden Terrace Impact Seven Townhouse project, which added townhouse style affordable housing and homeless veterans housing to the City's North Side neighborhood.

The City partners with many agencies and organizations to effectuate neighborhood investment and reinvestment including:

- Major employers on employer assisted housing programs and catalytic housing projects.
- La Crosse County on acquisition and demolition grants.
- The La Crosse Promise on offering college scholarships for investors in distressed neighborhoods.
- CouleeCap on targeted affordable and mixed opportunity housing programs.
- Private investors on lot acquisition assembly and preparation.
- Habitat for Humanity and Western Technical College on housing construction.
- The La Crosse Neighborhood Development Corporation (CDC) leveraging private capital to match City funds for acquisition, assembly, and development projects.

Please visit the following website for additional City economic development information: [www.grandrivergreatcity.com](http://www.grandrivergreatcity.com).

## Education

### Public Education

The following school districts serve the residents of the City:

<u>School District</u>	<u>Location</u>	<u>Grades</u>	<u>2022/23(1) Enrollment</u>
La Crosse	City of La Crosse	PreK-12	5,992
Onalaska	City of Onalaska	PreK-12	3,007
West Salem	Village of West Salem	PreK-12	1,861

### Non-Public Education

The City is also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2022/23(1) Enrollment</u>
Aquinas High	City of La Crosse	9-12	307
Aquinas Middle	City of La Crosse	7-8	164
Blessed Sacrament Elementary	City of La Crosse	3-6	183
Cathedral School	City of La Crosse	K4-2	168
First Evangelical Lutheran	City of La Crosse	K4-8	139
Immanuel Lutheran	City of La Crosse	K-8	77
Mount Calvary-Grace Lutheran	City of La Crosse	K4-8	79
Providence Academy	City of La Crosse	K4-12	101

(1) 2023/24 enrollment figures not yet available.

Source: Wisconsin Department of Public Instruction, <http://dpi.wi.gov/>.

## Post-Secondary Education

Western Technical College (“WTC”) provides vocational, technical, and adult educational training to approximately 3,000 Full-Time Equivalent students in a variety of programs in agriculture, apprenticeship training, business, general studies, health and public safety, and industrial/technical areas. The total number of students served by the programs and continuing education offerings is approximately 10,000. WTC operates a central campus located in the City. Additionally, WTC operates regional locations in Viroqua, Tomah, Mauston, Independence, and Black River Falls. Throughout WTC’s service area, local facilities are utilized for adult education evening classes.

Viterbo University is a four-year Catholic co-educational liberal arts institution located in the City. The University offers more than 70 degree programs and has an approximate enrollment headcount of 2,500 students.

The University of Wisconsin-La Crosse has an approximate enrollment of 10,000 students.

## **GOVERNMENTAL ORGANIZATION AND SERVICES**

The City is a municipal corporation, incorporated in 1856, and exists under the Constitution and laws of the State of Wisconsin. The City operates under a Mayor-Council form of government. The Common Council is comprised of 13 Council members representing the various districts within the City. The Mayor, Mr. Mitch Reynolds, is the chief executive officer of the City and is elected at large to serve a four-year term. Mayor Reynolds was first elected in 2021, and his current term expires in April 2025. The Council members are elected by district to serve staggered four-year terms.

### **Common Council**

		<u>Expiration of Term</u>
Christine Kahlow	6th District, Council President	April 2027
Tamra Dickinson	1st District	April 2027
Erin Goggin	2nd District	April 2027
Barb Janssen	3rd District	April 2027
Larry Slezniak	4th District	April 2027
Jenasea Hameister	5th District	April 2027
Mac Kiel	7th District	April 2025
Mackenzie Mindel	8th District	April 2025
Chris Woodard	9th District	April 2025
Rebecca Schwarz	10th District	April 2025
Jennifer Trost	11 <sup>th</sup> District	April 2025
Douglas Happel	12th District	April 2025
Mark Neumann	13th District	April 2025

Mr. Chadwick Hawkins is the Director of Finance. Mr. Hawkins was appointed in September 2022. Previously, Mr. Hawkins served as city administrator for the City of Arcadia, Wisconsin as well as clerk and treasurer for the Town of Campbell, Wisconsin. Mr. Dan DeGier is the Deputy Director of Finance. Ms. Nikki Elsen is the City Clerk and was appointed in December 2020. Mr. Stephen Matty is the City Attorney and was appointed in May 2007. The City currently employs 549 people on a permanent full-time basis and approximately 44 part-time and 706 seasonal employees.

### **Police Protection**

With a population of just over 50,000, which comprises 20.1 square miles, the City is the 12th largest city in the State, the largest community in La Crosse County, and serves as the county seat.

The La Crosse Police Department was founded on April 12, 1870, when a newly elected mayor fulfilled a campaign promise and hired Chief John Simonton and six patrolmen. Today, the Department is comprised of 100 sworn officers and 27.8 civilian staff. The Department’s current budget is just over \$13 million, with

supplemental funds being obtained through actively pursuing grants. Organizationally, the Department has four main divisions: Administrative Services, Field Services, Investigative Services, and Professional/Community Services. Administrative Services is headed by an Assistant Chief. Captains command the remaining three divisions. The Professional/Community Services Division commands the School Resource Officers and Community Resource Unit (CRU). The Investigative Services division includes adult and juvenile crime investigators as well as the Neighborhood Resource Officers and the Domestic Abuse Reduction Team (DART). Finally, the Field Services Division consists of two patrol shift teams working 12-hour shifts and delivering a full spectrum of field police services to the community. Currently, the La Crosse Police Department operates on a six patrol beat system. Average staffing levels of 10 patrol officers and two supervisors on each shift that are complemented by investigative and administrative personnel able to immediately respond to any incident.

The La Crosse Police Department utilizes an authorized staff of 100 sworn full-time officers, all of whom are certified in the State of Wisconsin by the Law Enforcement Standards Board. In 1998, The La Crosse Police Department was the first municipal law enforcement agency in the State to be accredited by the Wisconsin Law Enforcement Accreditation Group (WILEAG) and have maintained accredited status since that time. The Department has a pool of specialty vehicles/units such as patrol bicycles, Emergency Response Rescue vehicle, drones, and a patrol boat. The Department has a fleet of 56 vehicles, which includes 16 fully equipped patrol squad cars with mobile data computers, squad video cameras, laser, radar, and automatic external defibrillators, as well as 14 unmarked investigative vehicles. Additionally, the City's eight parking enforcement vehicles are equipped with mobile data computers. Parking enforcement personnel utilize automated time zone ticketing equipment during their tours of duty.

The Department is committed to its risk mitigation philosophy and has been participating in national training programs that are recognized "best practices" to enhance this. The Department is a leader in the State in Crisis Intervention Training and trains all staff in mental health first aid. Additionally, the Department has a Crisis Response Unit which is based on the co-responder model of pairing a police officer with a County Mental Health Specialist. The Department provides a transparency in policing page on its website to provide the public with information on operational aspects of the agency. The Department staffs a fully trained and equipped Emergency Response Team and operates a grant-funded Domestic Abuse Reduction Team. School Resource Officers are in the middle and high schools and teach D.A.R.E. (Drug Abuse Resistance Education) and G.R.E.A.T. (Gang Resistance Education and Training) at various grade levels in the public-school district under a joint funding agreement.

There are currently five certified K-9 Officer/Dog teams. One is trained for explosives searches, and the other three are trained for both drugs and patrol tactics. The Department's community policing efforts have been recognized three times in different years, receiving the Attorney General's "Program of the Year Award" for Innovation in Policing, and the City's community policing efforts were recognized by the International Association of Chiefs of Police (IACP). In 2011, the La Crosse Police Department was recognized by the Office of Juvenile Justice & Delinquency Programs (OJJDP) as the Outstanding Law Enforcement Agency of the Year through the Underage Drinking Enforcement Training Center. The La Crosse Police Department was also recognized for "Outstanding Performance in the 2010 Youth Alcohol Programs" by the Wisconsin Department of Transportation, Bureau of Traffic Safety.

The La Crosse Police Department is accredited through the Wisconsin Law Enforcement Accreditation Group (WILEAG) which independently evaluates police agencies throughout Wisconsin. WILEAG in 2020 recognized the La Crosse Police Department with the Innovative Program of the Year award for our biased based policing policy and again in 2023 for the Department's Community Response Unit.

## **Fire Protection**

The La Crosse Fire Department (LCFD) provides Fire Suppression, Technical Rescue, Emergency Medical First Responder, Building and Life Safety Inspection, Fire Investigation, Fire Prevention Educational Programming, and Community Risk Management services within the corporate limits of the City. LCFD is contracted to neighboring jurisdictions to include the Xcel Energy Refuse Derived Fuel Generating Facility and other industrial complexes on French Island in the Town of Campbell, the Pettibone Park area and much of the Valley View Mall corridor, the Hwy 14/61 area, and the Town of Medary.

The LCFD has mutual-aid agreements with all Fire Departments in La Crosse County, with the City of La Crescent Fire Department in Minnesota, and the LCFD is a member of Mutual Aid Box Alarm System (MABAS) Division 134 in the statewide MABAS. One automatic aid agreement is currently in place with Holmen Area Fire Department. That agreement is used for confirmed or working fires within respective districts. The LCFD protection strategy is accomplished through the strategic positioning of personnel and response equipment at five fire stations located across the city.

LCFD operations follow local, state, and federal laws, and meet many nationally recognized standards for emergency and non-emergency operations. These laws and national standards include guidance from the National Fire Protection Association, Occupational Safety and Health Administration (OSHA), the State of Wisconsin Department of Safety and Professional Standards, the Code of Federal Regulations, and the State of Wisconsin Administrative Codes.

The Fire Chief oversees all Divisions of the LCFD to include the Operations Division, the Community Risk Management Division, Fleet and Facility Maintenance, and the Training and Professional Standards Division. The Fire Chief is also the City's identified Emergency Management Director. The LCFD coordinates with La Crosse Police, Public Works, and all City departments to effectively manage emergency management functions for the City. These functions include applicable training for city staff, development and maintenance of the City's Emergency Operations Plan, engagement of incident action plans, and coordination of recovery efforts for natural and man-made disasters.

The LCFD operates a fleet of front-line fire apparatus that includes two fire engines, three "quints" (aerial ladder/fire engine combination), three rescue units, and a Battalion Chief vehicle. The LCFD also maintains a reserve engine that serves as a 2000-gallon Water Tender and another reserve engine. The department also maintains other necessary support and technical response vehicles and equipment. Other apparatus in the fire department fleet includes three boats, a utility task vehicle (UTV), a dry land access vehicle (DLAV), two vehicles dedicated to Hazardous Materials and Radiological Field Team response, and one heavy apparatus dedicated to the Urban Search and Rescue (USAR) Team. The fire department fleet also includes an administrative fleet of vehicles used by the Administration, the Community Risk Management Division, the Training and Professional Standards Division, and the Operations Division structured within the LCFD organizational chart.

The LCFD presently employs 98 sworn/uniformed firefighters, all of whom are trained and certified annually as Emergency Medical Technicians (EMTs) or Paramedics. In addition to emergency medical and fire suppression services, the LCFD dual-staffs and supports three fully-equipped special operations teams: a 25-member Hazardous Materials team that responds to eight counties as part of the State of Wisconsin Hazardous Materials system, a 20-member Regional Urban Search and Rescue team that is part of the State of Wisconsin Task Force-1 USAR Team, and a 20-member Water Rescue team that includes certified swift-water, and ice rescue trained personnel. The department also supports the La Crosse Police Department with six Tactical EMS (TEMS) EMTs that support police special operations. Daily LCFD Operations personnel are split into three operational platoons supervised by a Battalion Chief on 48-hour work rotations. The three Battalion Chiefs are supervised by the Assistant Fire Chief.

The LCFD's Community Risk Management Division is supervised by a Division Chief and staffing includes a Chief Building Inspector, five Building Inspectors, an Electrical Inspector, a Plumbing Inspector, two Code Enforcement Technicians, a Community Risk Reduction Education Specialist, and one administrative support position. The LCFD's two uniformed Fire Prevention/Fire Investigation Captains work under the supervision of the Division Chief. The Captains and Division Chief perform fire investigations, conduct inspections, and deliver risk reduction educational programs. Programs include the juvenile fire setters' program, fire prevention education in schools, and numerous fire and life safety training programs.

The LCFD maintains international accreditation through the Center for Public Safety Excellence (CPSE) and the Commission on Fire Accreditation International (CFAI). The LCFD has continued with ongoing self-assessment and accreditation renewal annually since 2014 and has met the objectives and goals established to continue with the CPSE validation process. Additionally, the LCFD is rated by the Insurance Service Office (ISO) as an ISO-2 rating, which positively influences home and business insurance costs.



Information regarding the LCFD is managed through a comprehensive records management system (RMS) utilizing several electronic platforms. This RMS system includes computer aided dispatching with centralized incident reporting (Image Trend Elite), a training management platform (Target Solutions), a web based for policy management and training validation (KMS Lexipol), and inspection software with integrated National Fire Protection Association (NFPA) codes and preplan capabilities. All RMS information is accessible to personnel on frontline apparatus via a wireless information transmission system and mobile data devices. All fire stations have accessible, password protected, desktop computers.

### **Water Utility**

The La Crosse Water Utility (the “Water Utility”) serves the developed areas of the City, some small areas abutting the City in the Town of Shelby as established in 1953, and some commercial and industrial properties in the Town of Campbell as per an agreement signed in 2006. The Water Utility is self-supporting, operating on the revenues from the sale of water and from private and public fire protection. The present distribution system consists of 10 active wells, two reservoirs with capacities of 5 million gallons and 150,000 gallons, respectively, and over 220 miles of water main to serve the Water Utility's approximately 16,800 user connections. The full pumping capacity of the water system is approximately 34.6 million gallons per day (mgd) which compares to a 2023 peak day demand of 18.1 mgd and a 2023 average demand of about 9.89 mgd. Water rates are established for the Water Utility by the Wisconsin Public Service Commission based on an adequate rate of return and are among the lowest of the larger utilities in the state.

### **Sewer Utility**

The La Crosse Sanitary Sewer Utility (the “Sewer Utility”) provides wastewater treatment for the cities of La Crosse and Onalaska, the Town of Campbell, two Town of Shelby sanitary districts, and the City of La Crescent, Minnesota. Treatment is provided by the City's Isle La Plume wastewater treatment facility, which has a rated hydraulic capacity of 20 million gallons per day (mgd). Average flow to the plant in 2023 was approximately 9.33 mgd, so the treatment facility currently has reserve hydraulic capacity, however, the plant is operating at its maximum capacity for biosolids and in need of upgrades to remain compliant with new State of Wisconsin phosphorous regulations. Currently WWTP is under a major upgrade to address Low Level Phosphorus Compliance, Enhancement of Digestion increasing solids capacity issues, capturing methane to become energy neutral and project includes Bio solids reuse as Class A fertilizer. Quality of effluent discharged to the Mississippi River is well within compliance limits established by the Wisconsin Department of Natural Resources for all other regulated pollutants.

The Sewer Utility has been self-supporting since July 1, 1991, operating solely on user fee revenues. Current sewer rates are among the lowest in the State. The Sewer Utility maintains a sanitary sewer collection system in the City consisting of over 205 miles of sewers and 26 lift stations. See “Appendix A - The Sewer System” herein for more information.

### **Storm Water Utility**

Implementation of the City's Storm Water Utility was created by Common Council approval in July of 2011. All Storm Water Utility operating costs, as well as all costs related to compliance with storm water quality requirements, are paid from revenues generated from user charges. Prior to 2018 City Municipal Code required the costs to complete capital projects related to storm water quantity be funded with 50% Utility and 50% City funds. Since 2018, capital stormwater costs have been funded 100% by Storm Water Utility funds.

The City has hired consultants who are modeling the percentage TSS removal as part of the City's MS4 requirement to reduce TSS discharged. This modeling project has been active for approximately 1 year and is approaching completion.

The Storm Water Utility operates and maintains the City's separate storm sewer system, which consists of over 141 miles of sewers and seven lift stations.

Please reference Chapter 46 of the City of La Crosse Municipal Code for additional information describing the City's utilities.

### **Solid Waste and Recycling**

The City provides collection of household trash and recyclables for residential properties with eight or fewer bedrooms through a contract with a private hauler. Burnable trash is delivered to Xcel Energy's waste-to-energy facility on French Island where it is converted to fuel and used to generate electricity. Non-burnable trash and large items (excluding recyclable box springs and mattresses) are landfilled at the La Crosse County Landfill. The City's recycling program expanded in 2014 to cart based, single-stream recycling. Plastics #1, #2, #4 and #5, white paper, hard-pressed paper, corrugated cardboard, newsprint, tin, aluminum, and glass is recycled. Between the waste-to-energy facility and the recycling program, over 70% of the waste generated by City households is diverted from the County landfill. The City also has a cooperative agreement with La Crosse County for the disposal of hazardous materials.

### **Parks, Recreation and Forestry**

The City's Parks, Recreation, Forestry, Grounds & Buildings Department maintains a 1,560-acre park system, consisting of 47 park sites, 19 park shelters/pavilions, 33 playgrounds, 12 athletic fields, an 18-hole frisbee golf course, three municipal pools, and two public beaches. In addition, the department has an 1,100-acre riparian marsh and 2,000 acres of public land across the bluffs on the City's east side, as well as 27 miles of paved trails and 40 miles of natural surface trails. Additionally, the department operates numerous City-owned and operated locations and a number of City-owned and leased buildings/operations including City Hall, South Side Neighborhood Center, Black River Beach Neighborhood Center, Green Island Ice Arena, Community Policing Station, Myrick Park Center, Pump House Regional Arts Center, and the Fish Hatchery Building. The Parks, Recreation, Forestry, Grounds & Buildings Department oversees two municipal boat marinas with over 250 boat slips, four fishing piers, five municipal boat landings, and 79 boathouses. This department oversees eight leases for operations on park property, generating over \$300,000 annually in lease payments including the La Crosse Loggers (Copeland Park) of the Northwood's League, a membership boat club with over 300 slips, an 18-hole golf course, and 300+ site campground. This department is responsible for over 19,000 boulevard trees and has been designated a Tree City USA for 33 years. The department also has reciprocal agreements with the University of Wisconsin – La Crosse, Aquinas Catholic Schools, and the La Crosse School District in the use of City-owned facilities.

The recreation staff coordinate many activities including youth recreation programs serving over 15,000 youth annually. The adult sports program serves 190 softball teams, 50 basketball teams, 75 volleyball teams, 24 football teams, and 300 individual tennis players. In addition to adult sports, the department offers a wide variety of adult programs including creative, enrichment, health, and wellness programs; cooking and fitness classes; numerous concerts and dances; and dementia education and support for care partners programs. The ever-growing senior programs offered by the department at the new Community Connection site allows for education programs, computer classes, and the very popular Senior Excursion bus trips. Popular outdoor recreation opportunities in the summer are the canoe/kayak equipment rentals and the three outdoor skating rinks in the winter. The Special Recreation program provides recreational activities for individuals with special needs and the Special Olympics program is the 2nd largest program in the State of Wisconsin with over 500 participants. The department conducts numerous special events each year: the La Crosse Fitness Festival (half marathon, 5K and biking events with over 6,000 participants); Special Olympics Polar Plunge (\$100,000 raised); Youth Outdoor Fest (3,000 participants); Firecracker 4-mile fun run (\$30,000 donated); and the Wisconsin Off Road Series (2,000 participants). In addition to these events, the department is also responsible for the Special Olympics Wisconsin District Softball and Bocce Tournament, the Special Olympics Wisconsin Regional Bowling Tournament, Celebrate Summer Family Fun Fair, Pop Up Sledding, and Movies in the Park, to name a few other special events.

### **Regional Airport**

The City owns and operates a regional airport located two miles northwest of the City. The La Crosse Regional Airport is served by American Airlines with flights to Chicago. Based on the number of enplaning passengers, the airport is currently ranked as the 261<sup>st</sup> busiest airport in the nation. The airport is an all-

weather facility with runways capable of handling nearly all aircraft in operation today. Consisting of approximately 1,300 acres, it is home to 59 aircraft, and provides access to the world for the La Crosse community. Continual improvements to the infrastructure have ensured that the airport will meet the transportation demands of the region into the future while remaining a self-sustaining enterprise of the City.

### **Municipal Library**

As a City department, the La Crosse Public Library (the “Library”), is primarily funded through the City’s operating budget. Additionally, the Library receives reimbursement from surrounding counties for library services provided, as well as private donations. Use of donated funds is often restricted per the donor’s wishes or governed by the board managing the fund. The Library provides a public space that welcomes all, embracing the objective that libraries are for everyone. Dedicated to promoting literacy and lifelong learning, the Library is passionate about connecting people to resources that enrich their lives. The Library operates one main and one branch facility located within the City, containing almost 170,000 physical items with an annual circulation of 500,000 items. The Library employs 62 people or approximately 52 FTEs. To better reach our community where they are and to prioritize historically underserved neighborhoods, a mobile outreach vehicle was recently added to expand the Library’s service offerings throughout the city. Alone and in partnership with the school district, universities, local business, and other organizations, the Library provides over 1500 programs per year, offering a wide variety of enrichment and learning activities for all ages. Additionally, the library offers an extensive array of electronic resources as well as a tool library. Along with providing access to a total of 171 public computers, wireless internet is provided at all three facilities. Public meeting rooms, copying, and printing services are also well utilized. The main library location offers our patrons the opportunity to explore, create, and invent in our Creation Space. Unique to our community, the Library supports an Archives Department that offers a connection to our region’s past, assisting in both personal research and genealogy, as well as an extensive collection that tells our City’s story.

### **La Crosse Center**

The La Crosse Center was built in 1980 with a multi-purpose convention hall/meeting room, a room with a river view and an arena. The venue is located in the heart of the historical downtown on the banks of the Mississippi River.

In the spring of 2000, the facility nearly doubled in size with a \$14 million expansion, which included two grand halls that combine for 36,000 square feet of multi-purpose area and a second floor 6,500 square-foot grand ballroom with a view of the Mississippi River. Adjacent to the ballroom are three boardrooms and a conference room.

Historically, the La Crosse Center hosts numerous meetings, trade shows, banquets, and conventions annually, such as: WI Rural Water, WAMO Darts/Pool, North Central Propane. The La Crosse Center has hosted national touring concerts such as Elton John, Blake Shelton, and Def Leppard. The facility also has hosted many families shows such as the Harlem Globetrotters, Monster Trucks, Disney Playhouse, and Paw Patrol. In addition, the La Crosse Center has been the home for indoor football and professional basketball teams. The entire complex provides nearly 100,000 square feet of meeting and exhibit space. The arena capacity varies from 5,200 for a reserved seat concert, 6,100 for basketball and over 7,200 for a general admission show.

The La Crosse Center completed a \$42,000,000 expansion and opened for the community and customers at the end of 2021. There are upgrades throughout the existing facility in HVAC, seating, lighting, restrooms, and others. A 100,000-kw solar field was also installed on top of the existing south ballroom. North Hall was reconstructed with the addition of a large river view grand ballroom, multiple breakout meeting spaces, a roof top terrace, and a new grand lobby. These updates will double the usable space at the La Crosse Center to 200,000 square feet.

The La Crosse Center host(s) nearly 200 events annual with 225,000 to 250,000 guests each year. The economic impact to the area is estimated to be over \$40 million per year. With the expansion described above, the number of events will grow, and the estimated economic impact is anticipated to increase another \$6.3 million.

## **Parking Utility**

In 2016, the Police Parking enforcement division and management/maintenance division were combined under the police department. The Parking Enterprise is managed by a professional Parking Coordinator who works directly with the Assistant Police Chief. The Parking Enterprise has two responsibilities:

1. The management, maintenance, and operation of all City-owned parking facilities.
2. The enforcement of all parking regulations within the City.

The enforcement division is responsible for the enforcement of all parking rules and regulations on approximately 225 miles of City streets. This work is done through a staff of Community Service Officers (CSO) who are tasked with the monitoring and enforcement of parking violations. Office support staff process data entry and revenue collections associated with enforcement actions taken.

The Parking Coordinator and maintenance staff of the Parking Enterprise are responsible for the operation of all the municipally owned ramps and surface lots, totaling almost 4,000 parking spaces. These include the Market Square Ramp with a total of 632 spaces, the La Crosse Center Ramp with a total of 893 spaces, the Main Street ramp with a total of 395 spaces, the Riverside Ramp with a total of 903 spaces, and the Pine Street ramp with a total of 606 spaces.

The incorporation of technologies using a “pay to park” smart phone application, pay stations, and automated license plate reading technology which are all integrated with citation modules have greatly improved both the user experience and the efficiency with which paid parking is monitored and enforced. Annual revenue for the Parking Enterprise is approximately \$1.9 million dollars.

In 2022, the Police Parking Enterprise began a review and revision of the fee structure use for all City owned parking ramps. This resulted in the elimination of the first 3-hours of parking being free and a fee structure of \$1/hour up to a maximum fee of 8 hours, which was incorporated beginning April 1, 2023. Additionally, the Enterprise is working with the City’s downtown business association to incorporate paid on-street parking and the formulated a “parking benefit district”.

## **Municipal Transit**

La Crosse Municipal Transit (MTU) provides safe, reliable, and affordable public transportation to the City and surrounding areas. Its service represents a successful partnership between the City and La Crosse County, the City of Onalaska, the Town of Campbell and the City of La Crescent, Minnesota. The service is owned and operated by the City, with support and funding from the Federal Transit Administration, Wisconsin Department of Transportation, and all the communities it serves.

MTU’s bus routes consist of 8 fixed-routes and 2 flex-routes offering transportation throughout the area, with most routes operating seven days a week. Specialized or Para-transit service is available for individuals unable to use fixed route buses. This specialized service, called MTU Mobility Plus, is under contract to a private provider and is only available to individuals certified as ADA Para-transit eligible.

In September of 2010, the MTU opened a multipurpose transit center in the downtown area, containing a primary passenger terminal and an eight-bus transfer facility along with commercial space, parking and 92 apartments. The City has forged a unique public-private partnership to fund the \$32 million project. The partners include the City, the Federal Transit Administration, the Wisconsin Department of Transportation, Gorman and Company, and the Wisconsin Housing and Economic Development Authority (WHEDA). The project not only generates tax base for the City but also provides a revenue stream for the transit system to pay for operation and maintenance of the transit facility.

The new transit center also includes a multi-modal connection for intercity bus and rail passengers as well as improved accessibility to the community for the City’s aging population. The establishment of the high-density, mixed-use development enhances the transit rider’s experience and will increase transit ridership in the future.

## Labor Contracts

The status of labor contracts in the City is as follows:

<u>Bargaining Unit (1)</u>	<u>No. of Employees</u>	<u>Expiration Date of Current Contract</u>
Transit Local 519	46	December 31, 2022(2)
Firefighters Local 127	82	December 31, 2024
Police supervisors	18	December 31, 2023(2)
Police non-supervisors	<u>67</u>	December 31, 2023(2)
Subtotal	213	
Elected	14	
Library-(non-part time)	41	
Non-Represented	<u>281</u>	
Total non-unionized employees	336	
Total employees	549	

(1) Airport operations are general employees under the provisions of Wisconsin Act 10 and therefore are only able to negotiate for total base wages should they recertify as a union. These employees (Airport operations and non-represented) are covered under an employee handbook. Library employees operate under a separate statute and are covered under the library handbook.

(2) In negotiations.

### Recognized and Certified Bargaining Units

All eligible City personnel are covered by the Municipal Employment Relations Act ("MERA") of the Wisconsin Statutes. Pursuant to that law, employees have rights to organize and have very limited rights to collectively bargain with municipal employers. Per MERA, the City is prohibited from bargaining collectively with municipal employees with respect to any factor or condition of employment except total base wages. Even then, the City is limited to increasing the base wages only by any increase in the previous year's consumer price index (unless the City were to seek approval for a higher increase through a referendum). Ultimately, the City can unilaterally implement the wages for a collective bargaining unit.

### **Employee Pensions**

All eligible City employees participate in the Wisconsin Retirement System (WRS), a multiple-employer Public Employee Retirement System. The WRS is a cost-sharing multiple-employer defined benefit pension plan. WRS benefits and other plan provisions are established by Chapter 40 of the Wisconsin Statutes. Benefit terms may only be modified by the legislature. The retirement system is administered by the Wisconsin Department of Employee Trust Funds (ETF). The system provides coverage to all eligible State of Wisconsin, local government and other public employees. All employees, initially employed by a participating WRS employer on or after July 1, 2011, and expected to work at least 1,200 hours a year (880 hours for teachers and school district education 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.

A detailed description of these plans, along with the City's required contributions to each plan, are represented in the City's Annual Financial Statements. An excerpt of the City's Annual Financial Statements for fiscal year ended December 31, 2022, is included as Appendix F of this Official Statement. (The City's Annual Financial Statements for the fiscal year ended December 31, 2023 are not yet available.)

Sources: City's Annual Financial Statements.

### **Other Post Employment Benefits**

The City has obligations to its employees for post-employment benefits other than pensions, accounted for pursuant to the Government Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75). The City's OPEB liabilities and associated contributions are represented in the City's Annual Financial Statements. An excerpt of the City's Annual Financial Statements for fiscal year ended December 31, 2022, is included as Appendix F of this Official Statement. (The City's Annual Financial Statements for the fiscal year ended December 31, 2023 are not yet available.)

Sources: City's Annual Financial Statements.

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**BOOK ENTRY**

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of the Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or its agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to City or its agent. Under such circumstances, in the event that a successor depository is not obtained, certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.



FORM OF BOND COUNSEL OPINION

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

City of La Crosse  
La Crosse County, Wisconsin

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Common Council of the City of La Crosse, La Crosse County, Wisconsin (the “*City*”), passed preliminary to the issue by the City of its fully registered Sewer System Revenue Bonds, Series 2024-A (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated the date hereof, due serially on May 1 of the years and in the amounts and bearing interest as follows:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE	YEAR	PRINCIPAL AMOUNT	INTEREST RATE
------	---------------------	------------------	------	---------------------	------------------

the Bonds maturing on and after May 1, 20\_\_, being subject to redemption prior to maturity at the option of the City, as a whole or in part in any order of their maturity as determined by the City, on May 1, 20\_\_, or on any date thereafter at a redemption price of par plus accrued interest to the redemption date, as provide in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Wisconsin now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion, said issue, to the amount named, is valid and legally binding upon the City, payable solely and only the net revenues of the sewerage system of the City (the “*Net Revenues*”), except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bonds are issued on a parity with respect to the Net Revenues with the City's outstanding Sewerage System Revenue Bonds, Series 2022, dated February 23, 2022 (the "*Parity Bonds*"). The resolution providing for the issuance of the Bonds, and the resolution providing for the issuance of the Parity Bonds, permit, within the limitations therein provided, the issuance of additional bonds payable from the Net Revenues on a parity with the Bonds with respect to the Net Revenues.

Based upon our review of official certificates and proceedings submitted by the City, it is our opinion that, subject to compliance by the City with certain covenants, under present law, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such covenants of the City could cause the interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of the issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein regarding the accuracy, adequacy or completeness of the Official Statement or any other information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the City with respect to certain material facts within the City's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

## FORM OF CONTINUING DISCLOSURE UNDERTAKING

**CONTINUING DISCLOSURE UNDERTAKING  
FOR THE PURPOSE OF PROVIDING  
CONTINUING DISCLOSURE INFORMATION  
UNDER SECTION (B)(5) OF RULE 15C2-12**

This CONTINUING DISCLOSURE UNDERTAKING (the “*Agreement*”) is executed and delivered by the City of La Crosse, La Crosse County, Wisconsin (the “*Issuer*”) in connection with the issuance of \$\_\_\_\_\_ aggregate principal amount of Sewer System Revenue Bonds, Series 2024-A (the “*Bonds*”). The Bonds are being issued pursuant to a resolution duly adopted by the City Council of the Issuer on the 11th day of April, 2024 (the “*Resolution*”).

In consideration of the issuance of the Bonds by the Issuer and the purchase of the Bonds by the beneficial owners thereof, the Issuer covenants and agrees, as follows:

1. **PURPOSE OF THIS AGREEMENT.** This Agreement is executed and delivered by the Issuer as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters (as hereinafter defined) in complying with the requirements of the Rule (as hereinafter defined). The Issuer represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after the issuance of the Bonds.

2. **DEFINITIONS.** The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

*Annual Financial Information* means the financial information and operating data described in *Exhibit I* attached to and made a part of this Agreement.

*Annual Financial Information Disclosure* means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4 of this Agreement.

*Audited Financial Statements* means the audited financial statements of the Issuer prepared pursuant to the standards and as described in *Exhibit I* attached to and made a part of this Agreement.

*Commission* means the Securities and Exchange Commission.

*Dissemination Agent* means any agent designated as such in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation, and the successors and assigns of any such agent.

*EMMA* means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

*Exchange Act* means the Securities Exchange Act of 1934, as amended.

*Financial Obligation* of the City means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of (i) or (ii), *provided*, that such term does not include municipal securities as to which an Official Statement has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the final Official Statement, dated \_\_\_\_\_, 2024, and relating to the Bonds.

*Participating Underwriter* means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

*Reportable Event* means the occurrence of any of the events set forth in *Exhibit II* attached hereto and made a part of this Agreement.

*Reportable Events Disclosure* means dissemination of a notice of a Reportable Event as set forth in Section 5 of this Agreement.

*Rule* means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

*State* means the State of Wisconsin.

*Undertaking* means the obligations of the Issuer pursuant to Sections 4 and 5 of this Agreement.

3. CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Bonds are set forth in Exhibit III. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the Issuer will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the Issuer remains legally liable for the payment of such Bonds; provided, however, that the Issuer will not be required to make such filings under new CUSIP Numbers unless the Issuer has been notified in writing by the Participating Underwriter or the Issuer's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The Issuer will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I* attached hereto and made a part hereof) to EMMA in such manner and format and accompanied by

identifying information as is prescribed by the MSRB or the Commission at the time of the delivery of such information in such manner and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Issuer will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the Issuer hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to “material” in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE ISSUER TO PROVIDE INFORMATION. The Issuer shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due under this Agreement.

In the event of a failure of the Issuer to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Issuer to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed to be a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the Issuer to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement to the contrary, the Issuer, by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

- (a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, change in law, or change in the identity, nature or status of the Issuer, or type of business conducted; or

(ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Issuer (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the Issuer shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the Issuer shall be terminated hereunder if the Issuer shall no longer have any legal liability for any obligation on or relating to the repayment of the Bonds under the Resolution.

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the Issuer has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the Issuer shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the Issuer shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. DISSEMINATION AGENT. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of the occurrence of a Reportable Event, in addition to that which is required by this Agreement. If the Issuer chooses to include any information from any document or notice of the occurrence of a Reportable Event in addition to that which is specifically required by this Agreement, the Issuer shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of the occurrence of a Reportable Event. If the Issuer is changed, the Issuer shall disseminate such information to EMMA.

12. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Issuer, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

13. RECORDKEEPING. The Issuer shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including without limitation the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

14. ASSIGNMENT. The Issuer shall not transfer its obligations under the Resolution, unless the transferee agrees to assume all obligations of the Issuer under this Agreement or to execute an Undertaking under the Rule.

15. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

CITY OF LA CROSSE, LA CROSSE COUNTY,  
WISCONSIN

By \_\_\_\_\_  
Director of Finance/Treasurer

Date: \_\_\_\_\_, 2024

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

“*Annual Financial Information*” means financial information and operating data of the type contained in Appendix A to the Final Official Statement under the following captions: “ANNUAL SEWER FLOW,” “NUMBER OF SEWER CUSTOMERS BY CLASS AND YEAR,” “SEWER SYSTEM TOP TEN CUSTOMERS,” “SEWER CHARGES,” “LIQUIDITY,” “OUTSTANDING DEBT OF THE SEWER SYSTEM,” “DEBT SERVICE COVERAGE” and “FINANCIAL STATEMENTS.”

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA, and the Final Official Statement need not be available from the Commission. The Issuer shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to EMMA by December 31 of each year, commencing on December 31, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, audited Financial Statements will be submitted to EMMA within thirty (30) days after availability to Issuer. Audited Financial Statements will be prepared in accordance with generally accepted accounting principles pursuant to which such financial statements will be prepared.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Issuer will disseminate a notice of such change as required by Section 4.



**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS FOR WHICH**  
**REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the securities, or other material events affecting the tax-exempt status of the securities
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Issuer\*
13. The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties

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\* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer.

**EXHIBIT III**

YEAR OF  
MATURITY

CUSIP  
NUMBERS  
( )

**2022 ANNUAL FINANCIAL STATEMENTS**

Attached are the City's Annual Financial Statements for fiscal year ended December 31, 2022. (The City's Annual Financial Statements for the fiscal year ended December 31, 2023 are not yet available.)

**CITY OF LA CROSSE, WISCONSIN**

**FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS'  
REPORT**

**DECEMBER 31, 2022**

# CITY OF LA CROSSE, WISCONSIN

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# CITY OF LA CROSSE, WISCONSIN

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## **INDEPENDENT AUDITORS' REPORT**

To the Common Council  
City of La Crosse, Wisconsin

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse, Wisconsin, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of La Crosse's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse, as of December 31, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City of La Crosse's ability to continue as a going concern for one year after the date that the financial statements are issued or when applicable, one year after the date that the financial statements are available to be issued 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 will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

### ***Required Supplementary Information***

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



### ***Supplementary Information***

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

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

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 12, 2023 on our consideration of the City of La Crosse's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of La Crosse's internal control over financial reporting and compliance.

*Hawkins Ash CPAs, LLP*

La Crosse, Wisconsin  
July 12, 2023

**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, 2022**

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, 2022. 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**

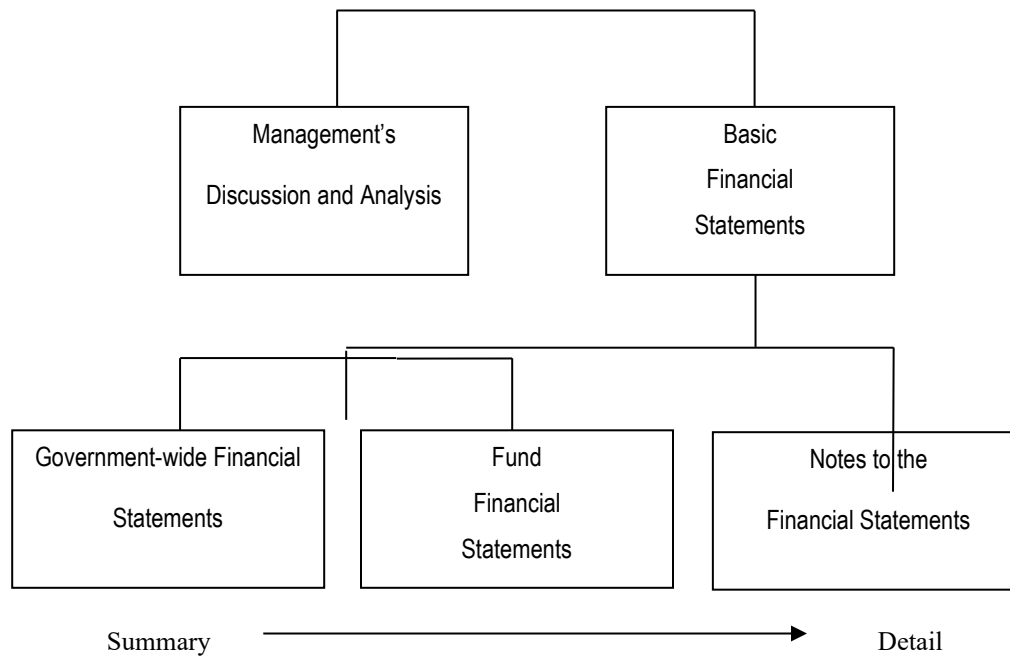
When revenues exceed expenses, the result is an increase in net position. When expenses exceed revenues, the result is a decrease in net position. This relationship between revenues and expenses can be considered the City's operating results. The City's net position as measured in the Statement of Net 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, 2022 by \$522,609,695 (net position).
- The City of La Crosse's total net position of Governmental Funds and Proprietary Funds increased by \$38,385,458.
- As of December 31, 2022, the City of La Crosse's governmental funds reported combined ending fund balances of \$96,723,103 an increase of \$3,596,636 in comparison with the prior year. As of December 31, 2022, the unassigned fund balance for the general fund was \$15,851,525 or approximately 27.38% of total general fund expenditures.
- The City of La Crosse's total general obligation debt increased by \$3,980,737 or 3.00% during 2022. This increase is attributable to the planning and financing of future capital improvement projects. The City funded \$14,475,000 in capital improvement projects and new equipment purchases as listed in the City's five-year Capital Improvement Budget and through approved Council resolutions utilizing new borrowed funds. Those projects included various street, streetscaping, alley, bridge, civic center, fire, library, park, storm sewer, transit, airport, and water projects.

## Overview of the Financial Statements

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

**Required Components of the Annual Financial Report**  
**Figure 1**



## Basic Financial Statements

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

The next statements are **Fund Financial Statements**. These statements focus on the activities of the individual parts of the City's government. These statements provide more detail than the government-wide statements. There are three parts to the Fund Financial Statements: 1) the governmental funds statements; 2) the proprietary fund statements; and 3) the fiduciary fund statements.

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

## **Government-wide Financial Statements**

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

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

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

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

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

## **Fund Financial Statements**

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

## **Governmental Funds**

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

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

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

### **Proprietary Funds**

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

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

### **Fiduciary Funds**

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

## Notes to the Financial Statements

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

### Other Information

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

### Government-wide Financial Analysis

As noted earlier, net position may serve over time as one of the useful indicators of a government's financial condition. The assets of the City of La Crosse exceeded liabilities by \$522,609,695 as of December 31, 2022. The City's net position increased by \$38,385,458 for the fiscal year ended December 31, 2022. However, the largest portion of the City's net position (84.05%) reflects the City's investment in capital assets (e.g., land, land improvements, buildings, and equipment); less any related debt still outstanding that was issued to acquire those items. The City of La Crosse uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of La Crosse's investment in its capital assets is reported net of the outstanding related debt, the resources needed to repay that debt must be provided by other sources, since the capital assets cannot be used to liquidate these liabilities.

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

ASSETS	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets, net of Capital Assets	\$ 233,003	\$ 217,735	\$ 26,169	\$ 94,764	\$ 259,172	\$ 312,499
Capital Assets not Depreciated	114,080	102,313	91,561	55,013	205,641	157,326
Capital Assets, net of Depreciation	217,817	210,923	157,120	157,712	374,937	368,635
<b>TOTAL ASSETS</b>	<b>\$ 564,900</b>	<b>\$ 530,971</b>	<b>\$ 274,850</b>	<b>\$ 307,489</b>	<b>\$ 839,750</b>	<b>\$ 838,460</b>
DEFERRED OUTFLOWS OF RESOURCES						
Wisconsin Retirement System Pension	49,145	34,418	4,146	3,016	53,291	37,434
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 614,045</b>	<b>\$ 565,389</b>	<b>\$ 278,996</b>	<b>\$ 310,505</b>	<b>\$ 893,041</b>	<b>\$ 875,894</b>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET						
LIABILITIES						
<b>TOTAL LIABILITIES</b>	<b>\$ 196,650</b>	<b>\$ 184,987</b>	<b>\$ 50,743</b>	<b>\$ 97,870</b>	<b>\$ 247,393</b>	<b>\$ 282,857</b>
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue-Tax Roll	\$ 49,589	\$ 51,541	\$ 1,996	\$ 144	\$ 51,585	\$ 51,685
Wisconsin Retirement System Pension/OPEB	65,826	52,375	5,627	4,753	71,453	57,128
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 115,415</b>	<b>\$ 103,916</b>	<b>\$ 7,623</b>	<b>\$ 4,897</b>	<b>\$ 123,038</b>	<b>\$ 108,813</b>
NET POSITION						
Net Investment in Capital Assets	\$ 233,077	\$ 217,824	\$ 206,172	\$ 185,387	\$ 439,249	\$ 403,211
Restricted For:						
Special Revenue	1,224	606	-	-	1,224	606
Debt Service	6,986	16,269	-	-	6,986	16,269
Capital Projects	43,116	41,012	2,926	2,948	46,042	43,960
Other Activities	23,023	17,897	1,822	1,432	24,845	19,329
Unrestricted	(5,446)	(17,122)	9,710	17,971	4,264	849
<b>TOTAL NET POSITION</b>	<b>\$ 301,980</b>	<b>\$ 276,486</b>	<b>\$ 220,630</b>	<b>\$ 207,738</b>	<b>\$ 522,610</b>	<b>\$ 484,224</b>

An additional portion of the City's net position of \$79,097,353 (15.14%) represents resources that are subject to external restrictions on how they may be used.

The City's total net position increased \$38,385,458 during the year. This increase was comprised of an increase in governmental type activities of \$25,493,902 and an increase in the business type activities of \$12,891,556 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 \$25,493,902. Key elements of this increase are:

- Charges for Services increased over \$5,000,000 and accounted for a quarter of the growth in revenue from 2022 versus 2021. There was also an increase in tax revenue of over \$3,500,000. Net Investment in Capital Assets increased by over \$15,000,000 due to increased investment in capital assets.
- Departments were required to keep 2022 budgets at 2021 levels unless increases were justified and approved by the Council.
- Actual expenditures for 2022 increased over \$6,300,000 compared to 2021, while the revenue was over \$4,800,000 higher when compared to 2021.
- Plan design changes, insurance co-pays and a change in health insurance networks have had a positive impact on the City's self-insured health fund and its fund balance which allows for no increase in the funding for internal health insurance premiums even though the national trend continues to rise.



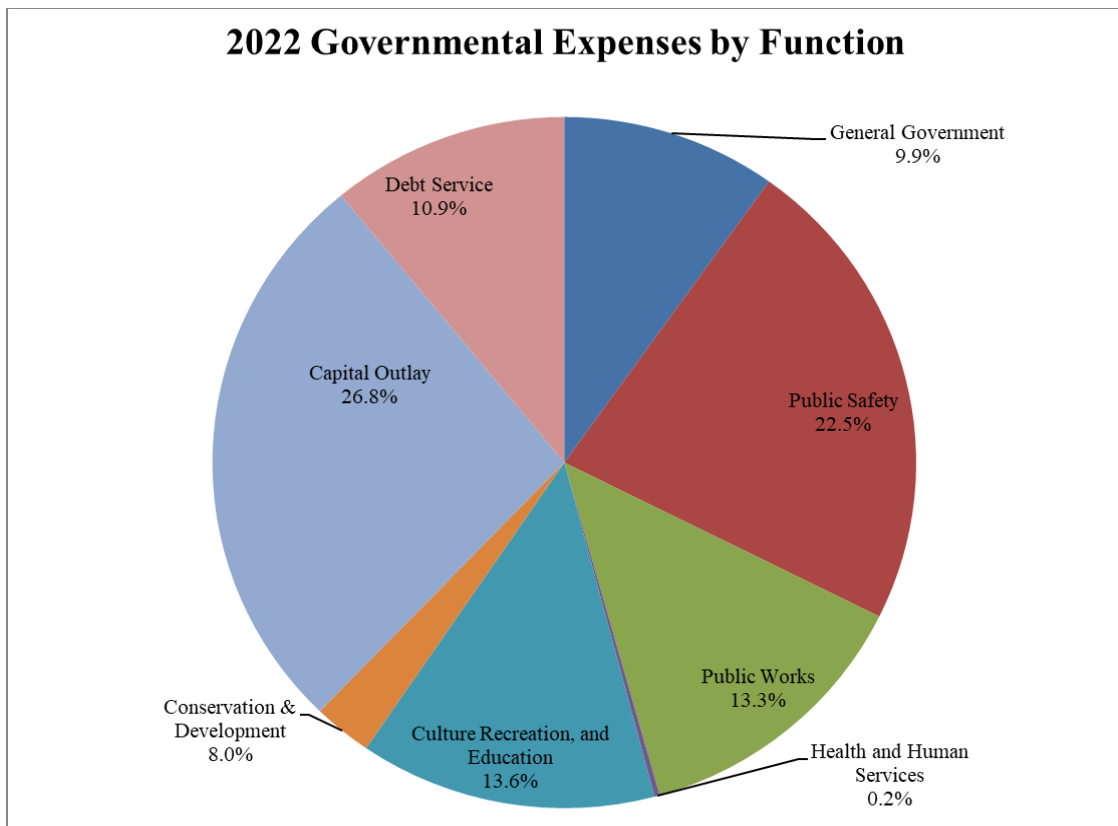
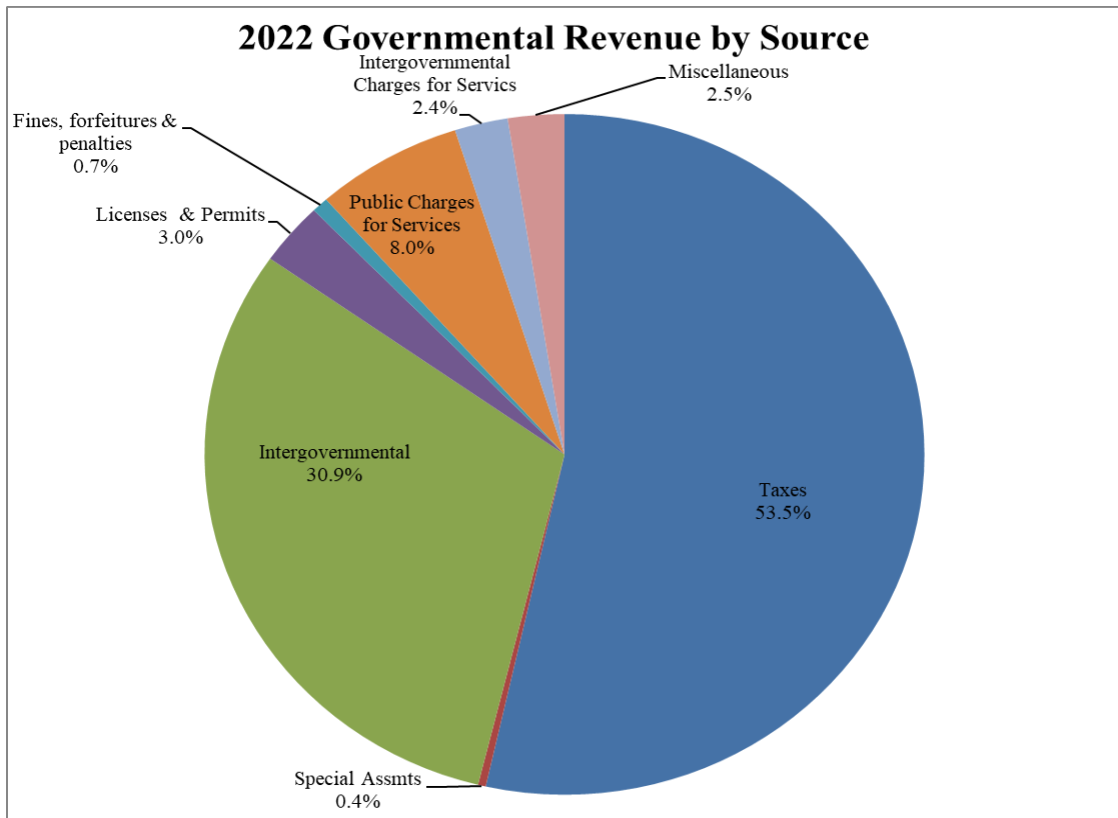
The following table represents the City's summarized operating results and their impact on net assets.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for Services	\$ 16,288	\$ 10,702	\$ 24,657	\$ 23,809	\$ 40,945	\$ 34,511
Grants & Contributions	19,652	23,645	7,468	2,943	27,120	26,588
General Revenues:						
Taxes	56,445	52,805	-	-	56,445	52,805
State Shared Revenue	13,601	13,773	-	-	13,601	13,773
Interest and investment income	(1,664)	456	457	296	(1,207)	752
Miscellaneous	4,733	2,867	20	133	4,753	3,000
Total Revenues	<u>\$ 109,055</u>	<u>\$ 104,248</u>	<u>\$ 32,602</u>	<u>\$ 27,181</u>	<u>\$ 141,657</u>	<u>\$ 131,429</u>
Expenses:						
General Government	\$ 13,124	\$ 12,088	\$ -	\$ -	\$ 13,124	\$ 12,088
Public Safety	23,346	22,744	-	-	23,346	22,744
Public Works	23,736	20,762	-	-	23,736	20,762
Health and Human Services	197	190	-	-	197	190
Culture, Recreation and Education	16,953	14,767	-	-	16,953	14,767
Conservation & Development	3,464	3,910	-	-	3,464	3,910
Principal, Interest & Fiscal Charges	2,509	2,471	-	-	2,509	2,471
Airport	-	-	4,021	4,147	4,021	4,147
Parking	-	-	3,302	3,282	3,302	3,282
Water	-	-	4,344	4,246	4,344	4,246
Sanitary Sewer	-	-	6,683	7,360	6,683	7,360
Storm Water	-	-	1,513	1,091	1,513	1,091
Other Business-type Activities	-	-	79	68	79	68
Total Expenses	<u>\$ 83,329</u>	<u>\$ 76,932</u>	<u>\$ 19,942</u>	<u>\$ 20,194</u>	<u>\$ 103,271</u>	<u>\$ 97,126</u>
Change in Net Position before Transfers	\$ 25,726	\$ 27,316	\$ 12,660	\$ 6,987	\$ 38,386	\$ 34,303
Transfers	(232)	(53)	232	53	-	-
Change in Net Position	\$ 25,494	\$ 27,263	\$ 12,892	\$ 7,040	\$ 38,386	\$ 34,303
Net Position, beginning of year	276,486	249,223	207,738	200,698	484,224	449,921
Prior Period Adjustment	-	-	-	-	-	-
Equity Transfers	-	-	-	-	-	-
<b>Net Position, end of year</b>	<u>\$ 301,980</u>	<u>\$ 276,486</u>	<u>\$ 220,630</u>	<u>\$ 207,738</u>	<u>\$ 522,610</u>	<u>\$ 484,224</u>

Governmental Activities expenditures were higher for 2022 compared to 2021 by over \$6,300,000, generally due to high inflationary costs, salary increases, and facilities and programs continuing to return to pre pandemic levels.

The following two charts represent revenues by source and expenses by function for the City's Governmental Activities for 2022.



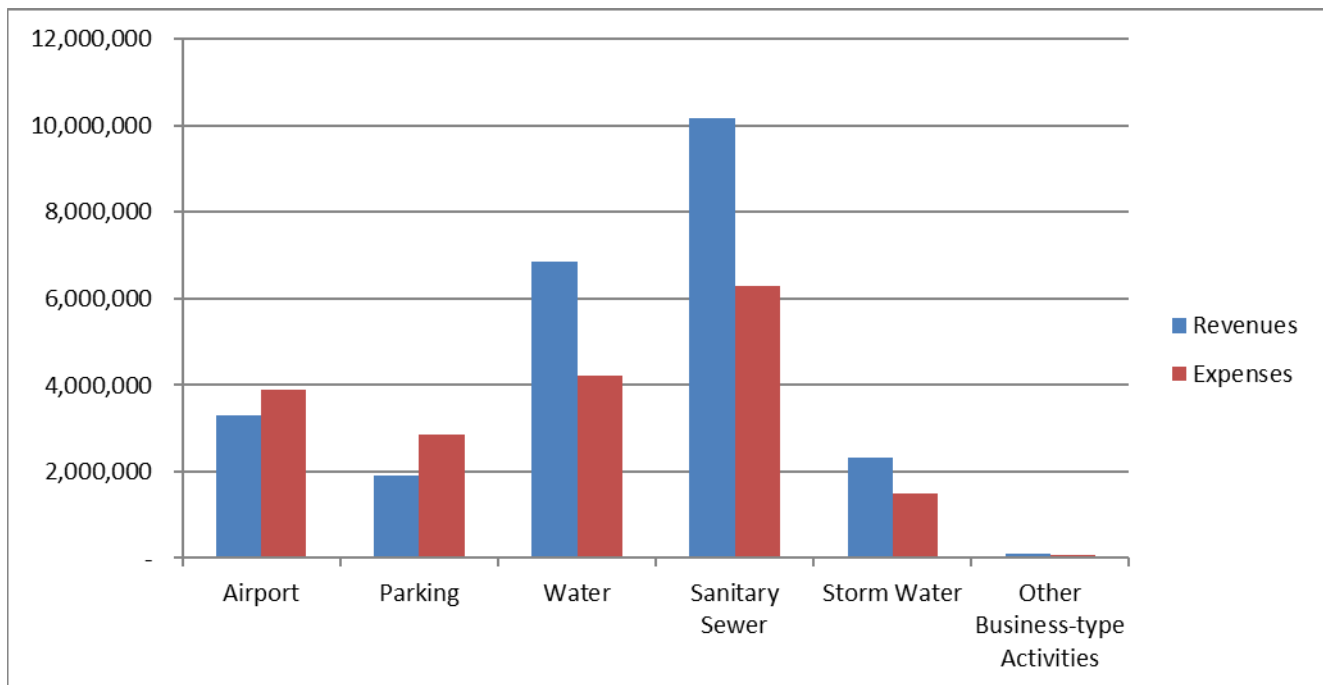
## Business-Type Activities

Business-type activities increased the City’s net position by \$12,891,556. The major contributing factors to this increase for the business-type activities are as follows:

- An increase in net investment in capital assets due to finalizing several large projects.
- The Water Utility is self-supporting, operating on revenues from the sales of water and from private and public fire protection. The current water rate is designed to provide a 4.0% return on the rate base. The Common Council requires future water rates be reviewed every two years with the next review scheduled to take place in 2023.
- The current Sanitary Sewer Utility and Storm Water Utility rates are designed to meet cash requirements, be consistent with existing rate design structure to maintain equitability between different sizes and classes of customers, fund capital projects, and meet debt coverage requirements.

The following chart represents the operating revenues and expenses for 2022 for the City’s Business-Type Activities.

**City of La Crosse, Wisconsin – 2022 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, 2022, the City of La Crosse's governmental funds reported combined ending fund balances of \$96,723,103. Of this amount, \$19,346,222 is attributable to the General Fund balance and is designated as follows: \$3,494,697 or approximately 18.06% is designated as Nonspendable; \$15,851,525 or approximately 81.94% is designated as Unassigned.

This Unassigned fund balance represents approximately 27.38% of total general fund expenditures for 2022. The total general fund balance decreased by \$167,607 in fiscal year 2022. Actual expenditures failed to meet final amended budgeted expenditures by approximately \$1,560,274 (2.62%). Actual revenue sources failed to meet the final amended budgeted revenues in the general fund by (\$1,727,881) (-2.91%).

The actual revenues were lower than budgeted primarily due to:

- There was a loss in FMV of investments of \$3,174,665.
- The La Crosse Center's revenue was outperformed budget by \$450,000 due to increased activity and increased room tax collected.
- Building related permits exceeded budget figures by over \$500,000.

The major budget variances in the expenditure category are:

- Public Safety underspent its budget by \$186,037.
- Public Works underspent its budget by \$276,117.
- General Government underspent its collective departmental budgets by \$1,305,117.
- Capital outlay underspent its budget by \$61,527.
- Culture, recreation, and education exceeded its collective budget by \$377,172.

## 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	
	2022	2021	2022	2021
Airport	\$ 76,123	\$ 74,200	\$ 1,923	\$ 3,982
Parking	34,551	34,833	(282)	(1,086)
Water Utility	38,107	36,122	1,985	4,493
Sewer Utility	46,265	40,807	5,458	3,173
Storm Water Utility	22,590	18,448	4,142	3,681
Sanitary Sewer District	663	646	17	26
Total	<u>\$ 218,299</u>	<u>\$ 205,056</u>	<u>\$ 13,243</u>	<u>\$ 14,269</u>

## General Fund Budgetary Highlights

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

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

Actual revenues and other sources including transfers in and out were less than budgeted revenues by \$1,727,881 with a primary driver of that increase driven by an unbudgeted loss on the fair market value of the City’s investments. Actual expenditures were less than budgeted expenditures by \$1,560,274.

Revenues were less than budgetary estimates and expenditures also came in under budget; the City’s General Fund “Unassigned” balance decreased by \$217,208. The City’s General Fund-fund balance is 33.42% of 2022 General Fund actual expenditures.

## Capital Assets and Debt Administration

### Capital Assets

The City of La Crosse’s net investment in capital assets for its governmental and business-type activities as of December 31, 2022, is \$439,248,728 (net of accumulated depreciation), an increase of \$36,037,789 (8.94%). 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 \$15,253,215 (7.00%) increase for governmental activities and a \$20,784,574 (11.21%) increase for business-type activities.

The following capital improvement projects for 2022 are contained and financed in the City’s 2022-2026 five-year Capital Improvement Program budget:

- Airport facility and runway upgrades – approximately \$6,924,000.
- Capital Equipment purchases for various departments - approximately \$4,837,973.
- Various Park projects - approximately \$3,968,000.
- Sanitary Sewer infrastructure improvement projects - approximately \$5,784,000.
- Storm water improvement projects - approximately \$2,542,000.
- Water improvement projects – approximately \$3,146,000
- Various street and streetscaping improvement projects - approximately \$23,976,000. Major projects include the reconstruction of 5 roads (South Ave., La Crosse St., Causeway Blvd., Green Bay St., and Kramer St.)
- Various Economic Development and Housing projects – approximately \$854,000.
- Various City Facilities Improvement projects – approximately \$6,180,000. Major projects including funding towards the construction of a new fire station \$3,800,000, funding towards a remodel of the Police Department \$1,300,000, and the renovation of a park building \$500,000.

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

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Land and Land Improvements	\$ 13,029	\$ 13,029	\$ 7,823	\$ 7,822	\$ 20,852	\$ 20,851
Buildings and Improvements	90,777	89,517	45,029	44,938	135,806	134,455
Machinery and Equipment	70,761	67,308	18,233	17,133	88,994	84,441
Infrastructure/systems	172,768	164,585	177,021	173,459	349,789	338,044
Construction in Progress	101,051	89,284	87,725	51,176	188,776	140,460
Less: Accumulated Depreciation	(116,488)	(110,487)	(87,150)	(81,803)	(203,638)	(192,290)
<b>Total</b>	<b>\$331,898</b>	<b>\$313,236</b>	<b>\$248,681</b>	<b>\$212,725</b>	<b>\$580,579</b>	<b>\$525,961</b>

## 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 2022 fiscal year, the City of La Crosse had total general obligation debt outstanding of \$136,604,422 entirely backed by the full faith and credit of the government. This represents an increase of \$3,980,737 compared to the total general obligation debt outstanding as of the end of fiscal year 2021. This increase is due primarily to scheduled borrowing for equipment and capital projects.

In 2022, the City sold four new debt instruments. Issues A and B were dated August 11, 2022. Issue A was for 15-year Corporate Purpose Bonds for \$11,710,000 at a net interest rate of 3.300%. Issue B was for 10-year Promissory Notes for \$2,765,000 at a net interest rate of 2.855%. Series A and B funded a portion of the City's \$59,879,075 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.

The third issue was a 5-year Note for \$470,200 at a net interest rate of 2.500% dated April 1, 2022. This issue was to fund floodplain and energy efficiency projects.

The fourth debt issue was a 5-year Note for \$650,000 at a net interest rate of 3.000% dated April 1, 2022. This issue was to fund neighborhood improvement projects.

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 \$256,563,940 and its outstanding debt subject to State statutory limit as of December 31, 2022 is \$136,604,422 or approximately 53.24% of the statutory limit. After calculating the amounts available in the Debt Service Fund of \$18,086,098 which results in a net margin of indebtedness of \$138,045,616.

### State Statutory Debt Limit

	2022	2021
State Debt Limit (5% of equalized value)	\$ 256,563,940	\$ 233,628,745
Applicable long-term debt	(136,604,422)	(132,623,685)
Amount available in debt service fund	18,086,098	17,269,070
Margin of Indebtness	138,045,616	118,274,130

### City Policy Debt Limit

	2022	2021
City Debt Limit (75% of State Limit)	\$ 192,422,955	\$ 175,221,559
Applicable long-term debt	(136,604,422)	(132,623,685)
Amount available in debt service fund	18,086,098	17,269,070
Margin of Indebtness	73,904,631	59,866,944

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

- The 2022 unadjusted unemployment rate for the La Crosse MSA was 2.5% compared to the State average of 2.9% and compared to the National average of 3.6%.
- Inflationary trends in the region are comparable to national indices.
- There were 1066 building permits issued in 2022 with a value of \$111,542,890 as compared to 876 building permits issued in 2021 with a value of \$156,065,859 and 970 permits issued in 2020 with a value of \$59,001,464.

## **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, 2022**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	PRIMARY GOVERNMENT			COMPONENT UNIT
	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTAL	
<b>ASSETS</b>				
Cash and investments	\$ 111,810,193	\$ 19,710,028	\$ 131,520,221	\$ 4,718,749
Receivables				
Taxes	48,522,093	646,341	49,168,434	-
Accounts and other	4,902,921	5,540,137	10,443,058	-
Special assessments	604,650	4,528	609,178	-
Loans	12,881,288	-	12,881,288	350,000
Internal balances	7,360,518	(7,360,518)	-	-
Due from other governments	3,183,265	247	3,183,512	-
Inventories	362,225	531,224	893,449	-
Prepays	99,017	495,259	594,276	-
Leases receivable	1,589,419	1,849,540	3,438,959	-
Restricted assets				
Cash and investments	18,663,902	2,926,287	21,590,189	-
Other assets	-	3,375	3,375	-
Wisconsin Retirement System net pension	23,023,060	1,822,029	24,845,089	-
Capital assets (net of accumulated depreciation)				
Capital assets not being depreciated	114,079,893	91,561,254	205,641,147	12,425,526
Capital assets being depreciated	217,817,114	157,119,919	374,937,033	-
<b>TOTAL ASSETS</b>	<b>564,899,558</b>	<b>274,849,650</b>	<b>839,749,208</b>	<b>17,494,275</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Wisconsin Retirement System pension	44,959,362	3,558,053	48,517,415	-
Wisconsin Retirement System LRLIF	2,010,012	347,115	2,357,127	-
OPEB healthcare	2,175,956	241,123	2,417,079	-
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>49,145,330</b>	<b>4,146,291</b>	<b>53,291,621</b>	<b>-</b>
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 614,044,888</b>	<b>\$ 278,995,941</b>	<b>\$ 893,040,829</b>	<b>\$ 17,494,275</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 11,296,813	\$ 3,211,027	\$ 14,507,840	\$ -
Accrued liabilities				
Payroll	1,700,697	178,093	1,878,790	-
Interest	888,526	198,985	1,087,511	-
Other	421,658	133	421,791	-
Due to other governments	1,102,231	-	1,102,231	-
Deposit payable	300,782	-	300,782	-
Unearned revenue - other	19,129,077	-	19,129,077	-
Current portion of long-term obligations	16,463,976	2,069,731	18,533,707	-
Noncurrent portion of long-term obligations	145,346,207	45,085,404	190,431,611	6,890,000
<b>TOTAL LIABILITIES</b>	<b>196,649,967</b>	<b>50,743,373</b>	<b>247,393,340</b>	<b>6,890,000</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - tax roll	47,999,352	146,030	48,145,382	-
Leases	1,589,420	1,849,540	3,438,960	-
Wisconsin Retirement System pension	54,212,827	4,290,366	58,503,193	-
Wisconsin Retirement System LRLIF	807,294	139,413	946,707	-
OPEB healthcare	10,806,099	1,197,453	12,003,552	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>115,414,992</b>	<b>7,622,802</b>	<b>123,037,794</b>	<b>-</b>
<b>NET POSITION</b>				
Net investment in capital assets	233,077,009	206,171,719	439,248,728	5,535,526
Restricted for				
Special revenue	1,224,070	-	1,224,070	-
Debt service	6,986,098	-	6,986,098	-
Capital projects	43,115,809	2,926,287	46,042,096	-
Other activities	23,023,060	1,822,029	24,845,089	-
Unrestricted	(5,446,117)	9,709,731	4,263,614	5,068,749
<b>TOTAL NET POSITION</b>	<b>301,979,929</b>	<b>220,629,766</b>	<b>522,609,695</b>	<b>10,604,275</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b>\$ 614,044,888</b>	<b>\$ 278,995,941</b>	<b>\$ 893,040,829</b>	<b>\$ 17,494,275</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2022**

FUNCTIONS/PROGRAMS	EXPENSES	PROGRAM REVENUE			NET (EXPENSES) REVENUES AND CHANGES IN NET POSITION			COMPONENT UNIT
		CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	GOVERNMENTAL ACTIVITIES	BUSINESS-TYPE ACTIVITIES	TOTALS	
<b>PRIMARY GOVERNMENT</b>								
<b>GOVERNMENTAL ACTIVITIES</b>								
General government	\$ 13,124,160	\$ 2,204,052	\$ 3,497,042	\$ -	\$ (7,423,066)		\$ (7,423,066)	
Public safety	23,345,790	2,083,753	1,884,626	-	(19,377,411)		(19,377,411)	
Public works	23,736,384	1,854,494	11,922,442	-	(9,959,448)		(9,959,448)	
Health and human services	196,916	-	-	-	(196,916)		(196,916)	
Culture, recreation and education	16,952,994	5,966,946	552,862	-	(10,433,186)		(10,433,186)	
Conservation and development	3,464,060	4,178,855	1,794,586	-	2,509,381		2,509,381	
Interest and fiscal charges	2,508,869	-	-	-	(2,508,869)		(2,508,869)	
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b>83,329,173</b>	<b>16,288,100</b>	<b>19,651,558</b>	<b>-</b>	<b>(47,389,515)</b>		<b>(47,389,515)</b>	
<b>BUSINESS-TYPE ACTIVITIES</b>								
Airport	4,021,392	3,311,740	-	2,456,469		\$ 1,746,817	1,746,817	
Parking	3,301,550	1,902,486	-	-		(1,399,064)	(1,399,064)	
Water	4,344,343	6,865,716	-	-		2,521,373	2,521,373	
Sewer	6,682,560	10,168,100	-	1,750,000		5,235,540	5,235,540	
Storm	1,513,289	2,317,254	-	3,261,965		4,065,930	4,065,930	
Sanitary Sewer District	78,657	91,215	-	-		12,558	12,558	
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b>19,941,791</b>	<b>24,656,511</b>	<b>-</b>	<b>7,468,434</b>		<b>12,183,154</b>	<b>12,183,154</b>	
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 103,270,964</b>	<b>\$ 40,944,611</b>	<b>\$ 19,651,558</b>	<b>\$ 7,468,434</b>	<b>(47,389,515)</b>	<b>12,183,154</b>	<b>(35,206,361)</b>	
<b>COMPONENT UNIT</b>								
<b>Redevelopment Authority</b>	<b>\$ 193,013</b>	<b>\$ -</b>	<b>\$ 56,385</b>	<b>\$ -</b>				<b>\$ (136,628)</b>
<b>GENERAL REVENUE</b>								
<b>Taxes</b>								
Property taxes					51,369,491	-	51,369,491	-
Other taxes					5,075,917	-	5,075,917	-
Intergovernmental revenues not restricted to specific programs					13,600,921	-	13,600,921	-
Interest and investment income					(1,663,818)	456,629	(1,207,189)	56,593
Miscellaneous					4,733,054	19,625	4,752,679	29,000
<b>TRANSFERS</b>					<b>(232,148)</b>	<b>232,148</b>	<b>-</b>	<b>-</b>
<b>TOTAL GENERAL REVENUE AND TRANSFERS</b>					<b>72,883,417</b>	<b>708,402</b>	<b>73,591,819</b>	<b>85,593</b>
<b>CHANGE IN NET POSITION</b>					<b>25,493,902</b>	<b>12,891,556</b>	<b>38,385,458</b>	<b>(51,035)</b>
<b>NET POSITION - BEGINNING OF YEAR</b>					<b>276,486,027</b>	<b>207,738,210</b>	<b>484,224,237</b>	<b>10,655,310</b>
<b>NET POSITION - END OF YEAR</b>					<b>\$ 301,979,929</b>	<b>\$ 220,629,766</b>	<b>\$ 522,609,695</b>	<b>\$ 10,604,275</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**

**FUND FINANCIAL STATEMENTS**

**CITY OF LA CROSSE, WISCONSIN**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

<u>ASSETS</u>	<u>GENERAL FUND</u>	<u>FEDERAL GRANTS</u>	<u>HUD GRANTS</u>	<u>DEBT SERVICE FUND</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>	<u>TOTAL GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 16,338,707	\$ 18,569,932	\$ 1,265,115	\$ 6,992,243	\$ 65,374,046	\$ 108,540,043
Receivables						
Taxes	37,595,003	-	-	-	10,732,060	48,327,063
Accounts and other	741,992	84,600	2,822,126	231,306	653,975	4,533,999
Special assessments	-	-	-	-	604,650	604,650
Loan	-	-	10,150,347	1,675,000	1,055,941	12,881,288
Due from other funds	2,022,490	-	-	-	195,030	2,217,520
Due from other governments	14,679	13,071	205,285	-	2,950,230	3,183,265
Inventories	32,770	-	-	-	235,597	268,367
Prepays	78,349	-	384	-	8,044	86,777
Leases receivable	16,377	-	-	-	1,573,042	1,589,419
Advances to other funds	3,047,626	-	-	11,100,000	127,802	14,275,428
<b>TOTAL ASSETS</b>	<b>\$ 59,887,993</b>	<b>\$ 18,667,603</b>	<b>\$ 14,443,257</b>	<b>\$ 19,998,549</b>	<b>\$ 83,510,417</b>	<b>\$ 196,507,819</b>
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u></b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 1,299,944	\$ 83,572	\$ 77,650	\$ 6,145	\$ 3,162,507	\$ 4,629,818
Accrued expenses						
Payroll	1,553,119	-	-	-	147,578	1,700,697
Other	94,556	-	-	-	-	94,556
Due to other funds	-	413,413	-	-	794,794	1,208,207
Due to other governments	63	-	-	-	1,102,168	1,102,231
Deposit payable	234,770	-	4,290	-	61,722	300,782
Unearned revenue - other	83,891	18,087,313	12,970,168	1,906,306	2,122,583	35,170,261
Advances from other funds	-	-	250,000	-	5,148,520	5,398,520
<b>TOTAL LIABILITIES</b>	<b>3,266,343</b>	<b>18,584,298</b>	<b>13,302,108</b>	<b>1,912,451</b>	<b>12,539,872</b>	<b>49,605,072</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - tax roll	37,259,051	-	-	-	10,740,301	47,999,352
Unavailable revenue - special assessments	-	-	-	-	590,872	590,872
Leases	16,377	-	-	-	1,573,043	1,589,420
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>37,275,428</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>12,904,216</b>	<b>50,179,644</b>
<b>FUND BALANCES</b>						
Nonspendable	3,494,697	-	384	11,100,000	371,443	14,966,524
Restricted	-	83,305	1,140,765	6,986,098	43,115,809	51,325,977
Committed	-	-	-	-	15,021,469	15,021,469
Unassigned	15,851,525	-	-	-	(442,392)	15,409,133
<b>TOTAL FUND BALANCES</b>	<b>19,346,222</b>	<b>83,305</b>	<b>1,141,149</b>	<b>18,086,098</b>	<b>58,066,329</b>	<b>96,723,103</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 59,887,993</b>	<b>\$ 18,667,603</b>	<b>\$ 14,443,257</b>	<b>\$ 19,998,549</b>	<b>\$ 83,510,417</b>	<b>\$ 196,507,819</b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**DECEMBER 31, 2022**

Fund balances - total governmental funds		\$ 96,723,103
<i>Amounts reported for governmental activities in the statement of net position are different because:</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the fund statements. Amounts reported for governmental activities in the statement of net position are:		
Governmental capital asset	\$ 448,384,660	
Governmental accumulated depreciation	<u>(116,487,653)</u>	331,897,007
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		16,685,143
Wisconsin Retirement System asset, deferred outflows of resources, and deferred inflows of resources are not current financial resources and are not reported in fund statements.		
		14,972,313
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.		
		(8,630,143)
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		13,031,215
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	\$ (119,791,209)	
Premium	(3,647,899)	
Accrued interest	(888,526)	
Vested employee benefits	(2,227,546)	
Wisconsin Retirement System OPEB liability	(5,854,140)	
Net OPEB liability	<u>(30,289,389)</u>	<u>(162,698,709)</u>
<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 301,979,929</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	GENERAL FUND	FEDERAL GRANTS	HUD GRANTS	DEBT SERVICE FUND	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
<b>REVENUE</b>						
Taxes	\$ 39,739,519	\$ -	\$ -	\$ 1,571,381	\$ 15,134,508	\$ 56,445,408
Special assessment	-	-	-	-	371,063	371,063
Intergovernmental	17,021,005	3,022,022	1,367,778	-	11,166,595	32,577,400
Licenses and permits	2,238,860	-	-	-	901,522	3,140,382
Fines, forfeits, and penalties	1,131	-	-	-	780,788	781,919
Public charges for services	1,614,161	-	998,184	-	4,352,809	6,965,154
Intergovernmental charges for services	2,028,506	-	-	-	494,288	2,522,794
Miscellaneous	3,676,104	44,229	58,628	318,772	2,055,041	6,152,774
Change in fair value of investments	(3,174,665)	-	-	-	(309,231)	(3,483,896)
<b>TOTAL REVENUE</b>	<u>63,144,621</u>	<u>3,066,251</u>	<u>2,424,590</u>	<u>1,890,153</u>	<u>34,947,383</u>	<u>105,472,998</u>
<b>EXPENDITURES</b>						
Current						
General government	8,546,264	2,708,619	-	52,127	561,337	11,868,347
Public safety	26,408,664	76,899	-	-	505,589	26,991,152
Public works	9,771,582	-	-	-	6,187,478	15,959,060
Health and human services	108,938	-	-	-	181,691	290,629
Culture, recreation, and education	12,358,493	-	-	-	4,037,093	16,395,586
Conservation and development	488,402	8,180	2,089,460	-	660,926	3,246,968
Debt service						
Principal	-	-	-	9,670,641	834,292	10,504,933
Interest	-	-	-	2,210,636	171,356	2,381,992
Other	-	-	-	253,124	-	253,124
Capital outlay	210,673	110,373	-	-	31,924,231	32,245,277
<b>TOTAL EXPENDITURES</b>	<u>57,893,016</u>	<u>2,904,071</u>	<u>2,089,460</u>	<u>12,186,528</u>	<u>45,063,993</u>	<u>120,137,068</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>5,251,605</u>	<u>162,180</u>	<u>335,130</u>	<u>(10,296,375)</u>	<u>(10,116,610)</u>	<u>(14,664,070)</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Operating transfers in	2,667,698	-	-	10,370,858	3,962,340	17,000,896
Operating transfers (out)	(8,235,583)	-	-	-	(8,997,461)	(17,233,044)
Sale of capital assets	148,673	-	-	157,863	854,311	1,160,847
Issuance of long-term debt	-	-	200,000	72,804	16,547,325	16,820,129
Premium on long-term debt	-	-	-	511,878	-	511,878
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<u>(5,419,212)</u>	<u>-</u>	<u>200,000</u>	<u>11,113,403</u>	<u>12,366,515</u>	<u>18,260,706</u>
<b>NET CHANGE IN FUND BALANCE</b>	(167,607)	162,180	535,130	817,028	2,249,905	3,596,636
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>19,513,829</u>	<u>(78,875)</u>	<u>606,019</u>	<u>17,269,070</u>	<u>55,816,424</u>	<u>93,126,467</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 19,346,222</u>	<u>\$ 83,305</u>	<u>\$ 1,141,149</u>	<u>\$ 18,086,098</u>	<u>\$ 58,066,329</u>	<u>\$ 96,723,103</u>

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, 2022**

Net change in fund balances - total governmental funds		\$ 3,596,636
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
The acquisition of capital assets are reported in the governmental funds as expenditures. However, for governmental activities those costs are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities.		
Capital outlay reported in governmental fund statements	\$ 32,245,277	
Less noncapitalized outlay	(4,949,347)	
Depreciation expense reported in the statement of activities	(7,502,366)	
Less cost of capital assets disposed	<u>(1,132,514)</u>	
Amount by which capital outlays are greater than depreciation in the current period:		18,661,050
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.		
		(16,820,129)
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:		(67,938)
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:		
		2,421,378
Wisconsin Retirement System pension asset, deferred outflows of resources, and deferred inflows of resources changes:		
		5,270,885
Wisconsin Retirement System LRLIF deferred outflows of resources, liability, and deferred inflows of resources changes:		
		(616,859)
Other post-employment benefits deferred outflows of resources, liability, and deferred inflows of resources changes:		
		5,125,088
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:		10,504,933
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:		(177,356)
Net change due to internal services funds incorporated into the statement of activities:	\$ (2,546,996)	
Transfers from business-type funds for internal service fund activity:	<u>351,485</u>	(2,195,511)
In governmental funds interest payments and other debt costs on outstanding debt are reported as an expenditure when paid. In the statement of activities it is reported as it accrues.		
The amount of interest and other debt costs paid during the current period	\$ 2,209,973	
The amount of interest and other debt costs accrued during the current period	<u>(2,418,248)</u>	
Interest paid is less than interest accrued by:		<u>(208,275)</u>
<b>CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES</b>		<b><u>\$ 25,493,902</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - PROPRIETARY FUNDS**  
**DECEMBER 31, 2022**

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	BUSINESS-TYPE ACTIVITIES						NONMAJOR SANITARY DISTRICT	TOTALS	GOVERNMENTAL ACTIVITIES
	AIRPORT	PARKING	SEWER	WATER	STORM			INTERNAL SERVICE	
<b>ASSETS</b>									
<b>CURRENT ASSETS</b>									
Cash and investments	\$ 5,112,525	\$ 2,752,223	\$ 72,101	\$ 8,862,624	\$ 2,610,046	\$ 300,509	\$ 19,710,028	\$ 21,916,418	
Accounts receivable								-	
Customer	201,432	842,802	2,040,020	1,382,381	881,747	67,163	5,415,545	368,922	
Other	-	4,244	44,750	58,643	16,955	-	124,592	-	
Taxes	-	146,030	185,329	241,075	73,907	-	646,341	-	
Inventories	8,289	-	6	522,929	-	-	531,224	93,858	
Prepays	492,852	422	771	884	330	-	495,259	12,240	
Restricted cash									
Cash	823,629	-	1,908,626	136,655	57,377	-	2,926,287	17,634	
<b>TOTAL CURRENT ASSETS</b>	<b>6,638,727</b>	<b>3,745,721</b>	<b>4,251,603</b>	<b>11,205,191</b>	<b>3,640,362</b>	<b>367,672</b>	<b>29,849,276</b>	<b>22,409,072</b>	
<b>NONCURRENT ASSETS</b>									
Capital assets (net of accumulated depreciation)									
Capital assets not being depreciated	32,330,792	3,774,886	44,613,416	1,641,314	9,200,846	-	91,561,254	-	
Capital assets being depreciated	40,627,463	40,387,442	36,587,382	29,390,328	9,831,981	295,323	157,119,919	-	
<b>NET CAPITAL ASSETS</b>	<b>72,958,255</b>	<b>44,162,328</b>	<b>81,200,798</b>	<b>31,031,642</b>	<b>19,032,827</b>	<b>295,323</b>	<b>248,681,173</b>	<b>-</b>	
Other assets									
Special assessments receivable	-	-	-	4,528	-	-	4,528	-	
Wisconsin Retirement System net pension	374,246	268,841	562,946	442,475	173,521	-	1,822,029	-	
Other property	-	-	-	3,375	-	-	3,375	-	
Leases receivable	1,849,540	-	-	-	-	-	1,849,540	-	
Advances to other funds	-	1,000,000	20,728	202,364	-	-	1,223,092	-	
<b>TOTAL OTHER ASSETS</b>	<b>2,223,786</b>	<b>1,268,841</b>	<b>583,674</b>	<b>652,989</b>	<b>173,521</b>	<b>-</b>	<b>4,902,811</b>	<b>-</b>	
<b>TOTAL NONCURRENT ASSETS</b>	<b>75,182,041</b>	<b>45,431,169</b>	<b>81,784,472</b>	<b>31,684,631</b>	<b>19,206,348</b>	<b>295,323</b>	<b>253,583,984</b>	<b>-</b>	
<b>TOTAL ASSETS</b>	<b>81,820,768</b>	<b>49,176,890</b>	<b>86,036,075</b>	<b>42,889,822</b>	<b>22,846,710</b>	<b>662,995</b>	<b>283,433,260</b>	<b>22,409,072</b>	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Wisconsin Retirement System pension	730,827	524,991	1,099,320	864,064	338,851	-	3,558,053	-	
Wisconsin Retirement System LRLIF	13,587	36,521	143,479	97,278	56,250	-	347,115	-	
OPEB healthcare	19,942	42,095	48,603	130,483	-	-	241,123	-	
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>764,356</b>	<b>603,607</b>	<b>1,291,402</b>	<b>1,091,825</b>	<b>395,101</b>	<b>-</b>	<b>4,146,291</b>	<b>-</b>	
<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>\$ 82,585,124</b>	<b>\$ 49,780,497</b>	<b>\$ 87,327,477</b>	<b>\$ 43,981,647</b>	<b>\$ 23,241,811</b>	<b>\$ 662,995</b>	<b>\$ 287,579,551</b>	<b>\$ 22,409,072</b>	

(Continued on page 27)

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, 2022**

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<b>OPERATING REVENUE</b>								
Charges for services	\$ 3,290,629	\$ 1,876,063	\$ 10,035,715	\$ 6,631,743	\$ 2,317,115	\$ 91,215	\$ 24,242,480	\$ -
Interdepartmental Sales	-	-	-	-	-	-	-	11,993,140
Forfeited discounts	-	-	-	53,962	-	-	53,962	-
Other revenue	21,111	26,423	131,071	177,475	41	-	356,121	626,849
<b>TOTAL OPERATING REVENUE</b>	<u>3,311,740</u>	<u>1,902,486</u>	<u>10,166,786</u>	<u>6,863,180</u>	<u>2,317,156</u>	<u>91,215</u>	<u>24,652,563</u>	<u>12,619,989</u>
<b>OPERATING EXPENSES</b>								
Plant and maintenance expenses:								
Salaries and wages	959,161	862,286	1,151,186	1,269,456	614,054	-	4,856,143	887,133
Power	-	-	-	375,839	-	-	375,839	-
Chemicals	-	-	-	68,481	-	-	68,481	-
Supplies and expenses	303,698	114,491	2,396,679	559,121	321,938	41,205	3,737,132	3,320
Repairs and maintenance	348,253	153,405	469,255	70,908	39,005	11,203	1,092,029	-
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<u>1,611,112</u>	<u>1,130,182</u>	<u>4,017,120</u>	<u>2,343,805</u>	<u>974,997</u>	<u>52,408</u>	<u>10,129,624</u>	<u>890,453</u>
General expenses:								
Office supplies and other expenses	14,906	9,747	6,702	28,111	1,369	184	61,019	24,088
Outside services employed	362,477	267,901	728,773	361,552	249,867	24,081	1,994,651	50,914
Insurance expense	60,145	64,189	127,314	22,336	10,324	-	284,308	2,041,906
Employee benefits	-	-	-	71,337	-	-	71,337	12,395,411
Miscellaneous general expenses	702	21,875	112,627	66,536	62,123	-	263,863	-
Transportation	79,503	26,220	11,901	370	4,667	-	122,661	-
<b>TOTAL GENERAL EXPENSES</b>	<u>517,733</u>	<u>389,932</u>	<u>987,317</u>	<u>550,242</u>	<u>328,350</u>	<u>24,265</u>	<u>2,797,839</u>	<u>14,512,319</u>
Depreciation	1,692,413	1,308,609	1,201,492	1,222,507	159,180	1,984	5,586,185	-
Taxes	56,597	39,571	95,492	88,358	27,839	-	307,857	-
<b>TOTAL OPERATING EXPENSES</b>	<u>3,877,855</u>	<u>2,868,294</u>	<u>6,301,421</u>	<u>4,204,912</u>	<u>1,490,366</u>	<u>78,657</u>	<u>18,821,505</u>	<u>15,402,772</u>
<b>OPERATING (LOSS) INCOME</b>	<u>(566,115)</u>	<u>(965,808)</u>	<u>3,865,365</u>	<u>2,658,268</u>	<u>826,790</u>	<u>12,558</u>	<u>5,831,058</u>	<u>(2,782,783)</u>
<b>NONOPERATING REVENUE (EXPENSES)</b>								
Interest income	112,585	54,964	92,593	139,430	52,591	4,466	456,629	234,208
Miscellaneous revenue	-	-	1,314	2,536	98	-	3,948	1,579
Sale of capital assets	22,598	14,018	73,838	-	-	-	110,454	-
Interest expense	(102,460)	(445,903)	(320,566)	(27,363)	-	-	(896,292)	-
Amortization	-	36,662	-	-	-	-	36,662	-
<b>TOTAL NONOPERATING REVENUE (EXPENSES)</b>	<u>32,723</u>	<u>(340,259)</u>	<u>(152,821)</u>	<u>114,603</u>	<u>52,689</u>	<u>4,466</u>	<u>(288,599)</u>	<u>235,787</u>
<b>(LOSS) INCOME BEFORE TRANSFERS AND CONTRIBUTIONS</b>	<u>(533,392)</u>	<u>(1,306,067)</u>	<u>3,712,544</u>	<u>2,772,871</u>	<u>879,479</u>	<u>17,024</u>	<u>5,542,459</u>	<u>(2,546,996)</u>
OPERATING TRANSFER IN (OUT)	-	1,024,431	(4,414)	(787,869)	-	-	232,148	-
CAPITAL CONTRIBUTIONS	2,456,469	-	1,750,000	-	3,261,965	-	7,468,434	-
<b>CHANGE IN NET POSITION</b>	<u>1,923,077</u>	<u>(281,636)</u>	<u>5,458,130</u>	<u>1,985,002</u>	<u>4,141,444</u>	<u>17,024</u>	<u>13,243,041</u>	<u>(2,546,996)</u>
<b>NET POSITION - BEGINNING OF YEAR</b>	<u>74,200,391</u>	<u>34,832,865</u>	<u>40,807,131</u>	<u>36,121,962</u>	<u>18,447,865</u>	<u>645,838</u>	<u>205,056,052</u>	<u>17,908,884</u>
<b>NET POSITION - END OF YEAR</b>	<u>\$ 76,123,468</u>	<u>\$ 34,551,229</u>	<u>\$ 46,265,261</u>	<u>\$ 38,106,964</u>	<u>\$ 22,589,309</u>	<u>\$ 662,862</u>	<u>\$218,299,093</u>	<u>\$ 15,361,888</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, 2022**

	BUSINESS-TYPE ACTIVITIES						GOVERNMENTAL	
	AIRPORT	PARKING	SEWER	WATER	STORM	NONMAJOR SANITARY DISTRICT	TOTALS	INTERNAL SERVICE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 3,312,006	\$ 1,821,674	\$ 9,253,392	\$ 5,695,934	\$ 2,876,584	\$ 83,496	\$ 23,043,086	\$ 631,517
Receipts from municipality	-	-	487,436	1,002,813	-	-	1,490,249	12,153,585
Payments to suppliers for goods and services	(1,061,374)	(591,908)	(4,561,027)	(1,740,626)	(1,388,862)	(76,674)	(9,420,471)	(2,159,933)
Payments for employees wages and benefits	(1,295,609)	(969,716)	(1,650,701)	(1,587,723)	(619,052)	-	(6,122,801)	(13,282,544)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>955,023</u>	<u>260,050</u>	<u>3,529,100</u>	<u>3,370,398</u>	<u>868,670</u>	<u>6,822</u>	<u>8,990,063</u>	<u>(2,657,375)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>								
Transfer from (to) governmental funds	-	1,024,431	(4,414)	(787,869)	-	-	232,148	-
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>								
Acquisition of property, plant and equipment	(2,489,837)	(231,504)	(31,024,335)	(1,193,087)	(6,566,972)	-	(41,505,735)	-
Retirement of long-term debt	(491,394)	(687,728)	(69,584,307)	(175,935)	-	-	(70,939,364)	-
Issuance of long-term debt	106,729	79,039	25,172,197	53,250	-	-	25,411,215	-
Interest paid	(104,922)	(452,203)	(386,804)	(27,363)	-	-	(971,292)	-
Contributed capital	2,456,469	-	1,750,000	-	3,261,965	-	7,468,434	-
Advances from other funds, net	-	-	10,100,000	-	-	-	10,100,000	-
<b>NET CASH (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(522,955)</u>	<u>(1,292,396)</u>	<u>(63,973,249)</u>	<u>(1,343,135)</u>	<u>(3,305,007)</u>	<u>-</u>	<u>(70,436,742)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	112,585	91,626	92,593	139,430	52,591	4,466	493,291	234,208
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<u>544,653</u>	<u>83,711</u>	<u>(60,355,970)</u>	<u>1,378,824</u>	<u>(2,383,746)</u>	<u>11,288</u>	<u>(60,721,240)</u>	<u>(2,423,167)</u>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<u>5,391,501</u>	<u>2,668,512</u>	<u>62,336,697</u>	<u>7,620,455</u>	<u>5,051,169</u>	<u>289,221</u>	<u>83,357,555</u>	<u>24,357,219</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 5,936,154</u>	<u>\$ 2,752,223</u>	<u>\$ 1,980,727</u>	<u>\$ 8,999,279</u>	<u>\$ 2,667,423</u>	<u>\$ 300,509</u>	<u>\$ 22,636,315</u>	<u>\$ 21,934,052</u>
<b>Reconciliation of operating (loss) income to net cash provided by (used in) operating activities</b>								
Operating (loss) income	\$ (566,115)	\$ (965,808)	\$ 3,865,365	\$ 2,658,268	\$ 826,790	\$ 12,558	\$ 5,831,058	\$ (2,782,783)
Adjustments to reconcile operating (loss) income to net cash flows from operating activities								
Depreciation	1,692,413	1,308,609	1,201,492	1,222,507	159,180	1,984	5,586,185	-
Changes in assets and liabilities								
Decrease (increase) in assets								
Receivables - customers	266	(79,583)	(439,496)	(45,335)	557,339	(7,719)	(14,528)	(44,063)
Receivables - other	-	(1,229)	13,538	31,612	2,089	-	46,010	-
Due from other governments	-	-	-	(247)	-	-	(247)	-
Inventories	3,315	-	-	(146,887)	-	-	(143,572)	28,216
Prepaid expenses	4,450	(21)	243	38	(11)	-	4,699	758
Leases receivable	(1,849,540)	-	-	-	-	-	-	-
Wisconsin Retirement System pension	(99,543)	(72,718)	(141,653)	(51,920)	(43,750)	-	(409,584)	-
Wisconsin Retirement System LRLIF	26,632	66,297	(2,179)	59,501	46,618	-	196,869	-
OPEB healthcare	(279,910)	(115,992)	(338,805)	(284,879)	-	-	(1,019,586)	-
Decrease (increase) in liabilities								
Accounts payable	157,142	105,512	(612,527)	47,835	(671,719)	-	(973,757)	101,255
Payroll payable	11,855	11,946	(8,815)	10,734	(7,866)	-	17,854	-
Other accrued expenses	4,518	3,037	(8,063)	19,634	-	(1)	19,125	39,242
Due to other funds	-	-	-	(150,463)	-	-	(150,463)	-
Deferred inflows of resources - leases	1,849,540	-	-	-	-	-	1,849,540	-
Total adjustments	<u>1,521,138</u>	<u>1,225,858</u>	<u>(336,265)</u>	<u>712,130</u>	<u>41,880</u>	<u>(5,736)</u>	<u>3,159,005</u>	<u>125,408</u>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 955,023</u>	<u>\$ 260,050</u>	<u>\$ 3,529,100</u>	<u>\$ 3,370,398</u>	<u>\$ 868,670</u>	<u>\$ 6,822</u>	<u>\$ 8,990,063</u>	<u>\$ (2,657,375)</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>								
Cash and investments	\$ 5,112,525	\$ 2,752,223	\$ 72,101	\$ 8,862,624	\$ 2,610,046	\$ 300,509	\$ 19,710,028	\$ 21,916,418
Restricted cash	823,629	-	1,908,626	136,655	57,377	-	2,926,287	17,634
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<u>\$ 5,936,154</u>	<u>\$ 2,752,223</u>	<u>\$ 1,980,727</u>	<u>\$ 8,999,279</u>	<u>\$ 2,667,423</u>	<u>\$ 300,509</u>	<u>\$ 22,636,315</u>	<u>\$ 21,934,052</u>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION**  
**FIDUCIARY FUND**  
**DECEMBER 31, 2022**

<u>ASSETS</u>	<u>CUSTODIAL FUNDS</u>
Cash and investments	\$ 29,947,769
Taxes receivable	23,159,455
Accounts receivable	<u>8,470</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 53,115,694</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</u>	
LIABILITIES	
Accounts payable	\$ 33,821
Due to other governments	29,812,448
Due to others	<u>122,280</u>
TOTAL LIABILITIES	<u>29,968,549</u>
DEFERRED INFLOWS OF RESOURCES	
Property taxes levied for subsequent year	<u>23,159,455</u>
NET POSITION	
Restricted for other governments	<u>(12,310)</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION</b>	<b><u>\$ 53,115,694</u></b>

The accompanying notes are an integral part of these statements.

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CHANGES IN NET POSITION**  
**FIDUCIARY FUND**  
**YEAR ENDED DECEMBER 31, 2022**

	CUSTODIAL FUNDS
<b>ADDITIONS</b>	
Collections for other governments	<u>\$ 57,783,632</u>
<b>DEDUCTIONS</b>	
Payments to other governments	57,783,632
Payments to others	<u>5,124</u>
TOTAL DEDUCTIONS	<u>57,788,756</u>
CHANGE IN NET POSITION	(5,124)
NET POSITION - BEGINNING OF YEAR	<u>(7,186)</u>
<b>NET POSITION - END OF YEAR</b>	<u><b>\$ (12,310)</b></u>

The accompanying notes are an integral part of these statements.

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



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**DECEMBER 31, 2022**

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

The financial statements of the City of La Crosse (the "City") have been prepared in conformity with generally accepted accounting principles (GAAP), as applied to government units.

The Governmental Accounting Standards Boards (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting principles and policies utilized by the City are described below.

**Reporting Entity**

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

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

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

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

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

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

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

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

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

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

**Basis of Presentation**

**Government-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

- a. Total assets, liabilities, revenue, or expenditures/expenses of that individual governmental or enterprise fund are at least 10 percent of the corresponding total for all funds of that category or type, and
- b. The same element of the individual governmental fund or enterprise fund that met the 10 percent test is at least 5 percent of the corresponding total for all governmental and enterprise funds combined.
- c. In addition, any other governmental or proprietary fund that the City believes is particularly important to financial statement users may be reported as a major fund.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

The City reports the following major governmental funds:

**General Fund** - The General Fund is used to account for all financial resources, except those required to be accounted for in another fund.

**Federal Grant Fund** - The Federal Grant Fund is used to account for revenue and expenditures of various federal grants.

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

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

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.

During the course of operations, the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in and out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

**Measurement and Basis of Accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

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

The proprietary funds and internal service funds are reported using the economic resources measurement focus and accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

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

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

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

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

**Interfund Transactions** - Non-exchange transactions which are not borrowing/lending (will not be repaid) are recorded as operating transfers, and exchange transactions are recorded as revenue and expenses. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers.

**Inventory** - Inventory is priced at the lower of cost (first-in, first-out) or market. The cost of governmental fund-type inventories are recorded as expenditures when purchased. A nonspendable fund balance has been recognized for inventory to signify that a portion of fund balance is not available for other subsequent expenditures.

**Prepaid Items** - Cash payments benefiting future periods have been recorded as prepaid items. They will be reflected as expenditures or expenses when incurred in the subsequent year. A nonspendable fund balance has been recognized for prepaid items to signify that a portion of fund balance is not available for other subsequent expenditures.

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

Airport - Passenger facility charges collections.

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

Water - Proceeds from bonds.

Storm - Proceeds from bonds.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

**Capital Assets** - Capital assets, which include property, plant, equipment, and infrastructure, are reported at cost or estimated historical cost. Contributed assets are reported at estimated fair value at the time received. General infrastructure assets, such as roads, bridges, curbs, gutters, streets, sidewalks and drainage and lighting systems, acquired prior to January 1, 2003, are reported at estimated historical cost using deflated replacement cost. Capital assets are depreciated using the straight-line method. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Water, sewer, and storm water utility assets are being depreciated using rates prescribed by the Wisconsin Public Service Commission.

Major capital outlays for capital assets of business-type activities are included as part of the capitalized value of the assets constructed. Interest expenses incurred during construction were not capitalized as part of the additions to capital assets.

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

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

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

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

**Compensated Absences** - It is the City's policy to permit employees to accumulate earned but unused vacation, sick, and comp pay benefits. Vacation, sick, and comp pay is accrued when incurred in the government-wide and proprietary funds financial statements. Vacation, sick, and comp pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and fund liability of the governmental fund that will pay it.

**Pensions** - For purposes of measuring the net pension (asset), deferred outflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to WRS' fiduciary net position have been determined on the same basis as they are reported by WRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**Other Post-Employment Benefits (OPEB) LRLIF** - The fiduciary net position of the local retiree life insurance fund (LRLIF) has been determined using the flow of economic resources measurement focus and the accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about the fiduciary net position of the LRLIF and additions to/deductions from LRLIFs fiduciary net position have been determined on the same basis as they are reported by LRLIF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**Deferred Outflows and Inflows of Resources** - In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. The separate financial statement element represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense/ expenditure) until then. The City has three items that qualify for reporting in this category. 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.

**Claims and Judgments** - They are recorded as liabilities if all the conditions of Governmental Accounting Standards Board pronouncements are met. Claims and judgments that would normally be liquidated with expendable available financial resources are recorded during the year as expenditures in the governmental funds. If they are not to be liquidated with expendable available financial resources, no liability is recognized in the governmental fund statements. The related expenditure is recognized when the liability is liquidated. Claims and judgments are recorded in the government-wide statements and proprietary funds as expenses when the related liabilities are incurred. There were no significant claims or judgments at year end.

**Net Position Classifications** - Net position represents the difference between the total assets and deferred outflows of resources and the total liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement for those assets. Net position is reported as restricted when there are limitations imposed on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

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

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

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

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

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

**Subsequent Events** - The City evaluated subsequent events through July 12, 2023, the date which the financial statements were available to be issued.

**Changes in Accounting Principle** - The City has implemented GASB Statement No. 87, Leases, in 2022. At the beginning of the period, where the City was the lessor, leases recorded as operating leases under previous guidance were recorded as deferred inflows of resources and corresponding lease receivables in the governmental activities and business-type activities in the amounts of \$1,771,211 and \$2,119,359, respectively. The change resulted in no adjustments to fund balance or net position.

**NOTE 2 - Cash and Investments**

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



**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

As of December 31, 2022, 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	\$ 71,894,993
Government Securities	More than one year	34,226,191
Repurchase Agreements	Less than one year	8,170,241
Corporate Bonds	More than one year	17,924,583
Bond Mutual Funds	Less than one year	1,205,121
Equity Mutual Funds	Less than one year	515,254
<b>TOTAL</b>		<b><u>\$ 133,936,383</u></b>

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

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

**Investment Pool Information** - Participation in the State of Wisconsin Local Government Investment Pool is voluntary. The Pool's regulatory oversight is provided by state statutes and its investment board. The fair value of the City's position in the Pool is the same as the value of the Pool shares. At December 31, 2022, 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, 2022. The State of Wisconsin Investment Pool is not rated, however, the investments at all times consist solely of securities and instruments in which municipalities are permitted to invest.

**Custodial Credit Risk - Deposits** - Custodial credit is the risk that, in the event of a bank failure, the City's and the Component Unit's deposits may not be returned to it. As of December 31, 2022, \$37,582,206 of the City's and the Component Unit's bank balance of \$50,061,111 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's and the Component Unit's name	\$ 14,918,966
Uninsured, uncollateralized	22,676,716
	<b><u>\$ 37,595,682</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

**Custodial Credit Risk - Investments** - Custodial credit is the risk that, in the event the failure of the counterparty, the City's investments may not be returned to it. As of December 31, 2022, \$8,170,241 of the City's investments subject to custodial credit risk of \$8,170,241 was exposed to custodial credit risk as follows:

Uninsured, collateral pledged by bank in City's name **\$ 8,170,241**

**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 2022 tax roll (levied for 2023) has been set up as a receivable and offset by the amounts due to other governmental units and deferred tax roll revenue for the City's portion. Advance tax collections are offset against the receivable.

**NOTE 4 - Rehabilitation Loans**

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

The loans activity for the year was as follows:

	<u>BALANCES</u> <u>1/1/22</u>	<u>ADDITIONS</u>	<u>PAYMENTS,</u> <u>FOREGIVENESS &amp;</u> <u>FORECLOSURES</u>	<u>BALANCES</u> <u>12/31/22</u>
<u>PRIMARY GOVERNMENT</u>				
Housing Rehabilitation	\$ 33,000	\$ -	\$ (3,000)	\$ 30,000
HOME Program	735,921	-	(1,000)	734,921
NSP Program	33,300	-	-	33,300
Replacement Housing	1,289,677	2,687,381	(22,200)	3,954,858
TID #11	-	73,805	-	73,805
TID #14	213,721	34,073	-	247,794
TID #15	252,973	75,000	(32,681)	295,292
Economic Development	3,714,433	-	(126,180)	3,588,253
TID #13	39,050	-	-	39,050
Residential Rehabilitation	4,179,249	27,576	(322,810)	3,884,015
<b>TOTAL</b>	<b><u>\$ 10,491,324</u></b>	<b><u>\$ 2,897,835</u></b>	<b><u>\$ (507,871)</u></b>	<b><u>\$ 12,881,288</u></b>

Interest receivable of \$3,121,541 associated with these loans is included in the Accounts Receivable and other line of the balance sheet.

COMPONENT UNIT

Economic Development	<b><u>\$ 444,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ (94,000)</u></b>	<b><u>\$ 350,000</u></b>
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**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**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, 2022, the City's leases receivable and deferred inflows of resources balances of \$3,438,959 was comprised of the following:

**GOVERNMENTAL ACTIVITIES**

Two building or structure leases for which the City recognized \$82,413 of lease revenue and \$1,719 of interest revenue during the year, at interest rates ranging from 0.47 percent to 1.17 percent, with remaining lease terms ranging from 3 to 9 years.	\$ 186,475
Six land leases for which the City recognized \$99,379 of lease revenue and \$16,155 of interest revenue during the year, at interest rates ranging from .83 percent to 1.50 percent, with remaining lease terms ranging from 5 to 18 years.	<u>1,402,944</u>
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$ 1,589,419</u></b>

**BUSINESS-TYPE ACTIVITIES**

Five building leases for which the City recognized \$261,214 of lease revenue and \$3,131 of interest revenue during the year, at interest rates ranging from .21 percent to 0.77 percent, with remaining lease terms ranging from 1 to 5 years.	\$ 425,485
Two land leases for which the City recognized \$8,605 of lease revenue and \$23,054 of interest revenue during the year, at interest rates ranging from 0.33 percent to 1.75 percent, with remaining lease terms ranging from 2 to 35 years.	<u>1,424,055</u>
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 1,849,540</u></b>

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

<u>YEARS</u>	<u>GOVERNMENTAL ACTIVITIES</u>		<u>BUSINESS-TYPE ACTIVITIES</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2023	\$ 133,412	\$ 19,779	\$ 204,371	\$ 26,879
2024	138,204	17,736	110,667	26,025
2025	142,354	16,077	64,963	25,333
2026	141,614	14,379	52,040	24,803
2027	146,658	12,634	42,880	24,282
2028-2032	693,685	36,059	74,651	117,413
2033-2037	169,051	4,717	119,076	109,037
2038-2042	24,441	559	174,618	96,308
2043-2047	-	-	243,620	78,155
2048-2052	-	-	328,885	53,283
2053-2057	-	-	433,769	20,127
	<b><u>\$ 1,589,419</u></b>	<b><u>\$ 121,940</u></b>	<b><u>\$ 1,849,540</u></b>	<b><u>\$ 601,645</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 6 - Capital Assets**

Capital asset activity for the year ended December 31, 2022, was as follows:

**GOVERNMENTAL ACTIVITIES**

	BALANCES <u>1/1/22</u>	ADDITIONS	RETIREMENTS	ADJUSTMENTS/ TRANSFERS	BALANCES <u>12/31/22</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 13,028,660	\$ -	\$ -	\$ -	\$ 13,028,660
Construction in progress	<u>89,284,440</u>	<u>26,002,050</u>	-	<u>(14,235,257)</u>	<u>101,051,233</u>
Total capital assets not being depreciated	<u>102,313,100</u>	<u>26,002,050</u>	-	<u>(14,235,257)</u>	<u>114,079,893</u>
<i>Capital assets being depreciated</i>					
Buildings	89,516,901	-	52,292	1,312,038	90,776,647
Infrastructure	146,722,822	-	-	8,182,722	154,905,544
Improvements other than buildings	17,861,903	-	-	-	17,861,903
Machinery and equipment	<u>67,308,235</u>	<u>1,293,880</u>	<u>2,581,939</u>	<u>4,740,497</u>	<u>70,760,673</u>
Total capital assets being depreciated	<u>321,409,861</u>	<u>1,293,880</u>	<u>2,634,231</u>	<u>14,235,257</u>	<u>334,304,767</u>
Less accumulated depreciation for:					
Buildings	21,813,981	426,889	25,570	-	22,215,300
Infrastructure	57,998,180	4,658,309	683,163	-	61,973,326
Improvements other than buildings	6,795,160	27,845	-	-	6,823,005
Machinery and equipment	<u>23,879,683</u>	<u>2,389,323</u>	<u>792,984</u>	-	<u>25,476,022</u>
Total accumulated depreciation	<u>110,487,004</u>	<u>7,502,366</u>	<u>1,501,717</u>	-	<u>116,487,653</u>
Total capital assets being depreciated, net	<u>210,922,857</u>	<u>(6,208,486)</u>	<u>1,132,514</u>	<u>14,235,257</u>	<u>217,817,114</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
<b>CAPITAL ASSETS, NET</b>	<b><u>\$ 313,235,957</u></b>	<b><u>\$ 19,793,564</u></b>	<b><u>\$ 1,132,514</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 331,897,007</u></b>

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

General Government	\$ 1,257,675
Public Safety	1,042,586
Public Works	2,750,143
Transit	831,718
Health and Human Services	15,225
Culture, Recreation, and Education	1,381,179
Conservation and Development	<u>223,840</u>
<b>Total</b>	<b><u>\$ 7,502,366</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 6 - Capital Assets - Continued**

**BUSINESS-TYPE ACTIVITIES**

	<u>BALANCES</u> <u>1/1/22</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>ADJUSTMENTS/ TRANSFERS</u>	<u>BALANCES</u> <u>12/31/22</u>
<i>Capital assets not being depreciated:</i>					
Land	\$ 3,836,692	\$ -	\$ -	\$ -	\$ 3,836,692
Construction in progress	<u>51,176,224</u>	<u>38,838,111</u>	<u>-</u>	<u>(2,289,773)</u>	<u>87,724,562</u>
Total capital assets not being depreciated	<u>55,012,916</u>	<u>38,838,111</u>	<u>-</u>	<u>(2,289,773)</u>	<u>91,561,254</u>
<i>Capital assets being depreciated</i>					
Land improvements	3,986,194	-	-	-	3,986,194
Buildings	44,937,910	75,779	1,000	16,295	45,028,984
Equipment	17,132,714	808,667	451,854	743,953	18,233,480
Infrastructure	<u>173,458,620</u>	<u>2,325,375</u>	<u>292,326</u>	<u>1,529,525</u>	<u>177,021,194</u>
Total capital assets being depreciated	<u>239,515,438</u>	<u>3,209,821</u>	<u>745,180</u>	<u>2,289,773</u>	<u>244,269,852</u>
Less accumulated depreciation for:					
Land improvements	3,158,800	103,996	-	-	3,262,796
Buildings	15,041,945	1,018,416	1,000	-	16,059,361
Equipment	11,373,176	694,610	163,239	-	11,904,547
Infrastructure	<u>52,229,425</u>	<u>3,936,413</u>	<u>242,609</u>	<u>-</u>	<u>55,923,229</u>
Total accumulated depreciation	<u>81,803,346</u>	<u>5,753,435</u>	<u>406,848</u>	<u>-</u>	<u>87,149,933</u>
Total capital assets being depreciated, net accumulated depreciation	<u>157,712,092</u>	<u>(2,543,614)</u>	<u>338,332</u>	<u>2,289,773</u>	<u>157,119,919</u>

**BUSINESS-TYPE ACTIVITIES**

<b>CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION</b>	<b><u>\$ 212,725,008</u></b>	<b><u>\$ 36,294,497</u></b>	<b><u>\$ 338,332</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 248,681,173</u></b>
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Depreciation expense was charged to functions as follows:

Business-type activities		
Airport		\$ 1,692,413
Parking Utility		1,308,609
Water Utility		1,560,351
Sewer Utility		1,030,898
Storm Utility		159,180
Sanitary Sewer Utility		<u>1,984</u>
		5,753,435
Less: Water Utility joint metering and clearing		<u>(167,250)</u>
<b>TOTAL</b>		<b><u>\$ 5,586,185</u></b>

**COMPONENT UNIT**

	<u>BALANCES</u> <u>1/1/22</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCES</u> <u>12/31/22</u>
<i>Capital assets not being depreciated:</i>				
Land	\$ 10,000,000	\$ -	\$ -	\$ 10,000,000
Construction in progress	<u>2,140,762</u>	<u>284,764</u>	<u>-</u>	<u>2,425,526</u>
<b>TOTAL CAPITAL ASSETS NOT BEING DEPRECIATED</b>	<b><u>\$ 12,140,762</u></b>	<b><u>\$ 284,764</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,425,526</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 7 - Long-Term Obligations**

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

**Summary of Long-Term Obligations**

	<u>BALANCES</u> 1/1/22	<u>ADDITIONS</u>	<u>PAYMENTS</u>	<u>AMOUNTS</u> <u>BALANCES</u> 12/31/22	<u>DUE WITHIN</u> <u>ONE YEAR</u>
<b><u>GOVERNMENTAL ACTIVITIES</u></b>					
Bonds payable	\$ 77,730,711	\$14,475,000	\$ (5,000,751)	\$ 87,204,960	\$ 6,139,145
Notes payable - direct borrowing	3,743,416	1,120,200	(1,875,534)	2,988,082	688,702
Notes payable - direct placement	25,730,118	-	(2,628,547)	23,101,571	3,607,422
Loan - direct placement	6,271,768	1,224,929	(1,000,101)	6,496,596	1,004,594
Premium	3,470,543	511,878	(334,522)	3,647,899	372,262
Net OPEB obligation	33,654,345	-	(3,364,956)	30,289,389	2,424,305
Wisconsin retirement system:					
Net OPEB liability - LRLIF	5,865,033	-	(10,893)	5,854,140	-
Employee benefits:					
Vacation pay	1,335,341	-	(23,928)	1,311,413	1,311,413
Sick pay	665,827	90,226	-	756,053	756,053
Comp pay	158,440	1,640	-	160,080	160,080
<b>TOTAL GOVERNMENTAL ACTIVITIES</b>	<b><u>\$158,625,542</u></b>	<b><u>\$17,423,873</u></b>	<b><u>\$ (14,239,232)</u></b>	<b><u>\$161,810,183</u></b>	<b><u>\$16,463,976</u></b>
<b><u>BUSINESS-TYPE ACTIVITIES</u></b>					
Bonds payable - Airport	\$ 3,210,000	\$ -	\$ (400,000)	\$ 2,810,000	\$ 410,000
Bonds payable - Parking	13,245,000	-	(630,000)	12,615,000	655,000
Bonds payable - Water Utility	504,289	-	(84,249)	420,040	85,855
Notes payable - Water Utility - direct placement	140,527	-	(27,098)	113,429	27,578
Notes payable - Sewer Utility - direct placement	1,254,355	-	(1,254,355)	-	-
Revenue bonds payable - Sewer Utility	68,263,000	25,109,184	(68,263,000)	25,109,184	-
Loan - direct placement	793,501	302,031	(240,788)	854,744	325,862
Premium	626,931	-	(39,874)	587,057	39,874
Net OPEB Obligation	4,074,440	-	(717,994)	3,356,446	247,294
Wisconsin retirement system:					
Net OPEB liability - LRLIF	880,080	130,887	-	1,010,967	-
Employee benefits:					
Vacation pay	143,252	20,158	-	163,410	163,410
Sick pay	90,559	-	(1,033)	89,526	89,526
Comp pay	25,330	2	-	25,332	25,332
<b>TOTAL BUSINESS-TYPE ACTIVITIES</b>	<b><u>\$ 93,251,264</u></b>	<b><u>\$25,562,262</u></b>	<b><u>\$ (71,658,391)</u></b>	<b><u>\$ 47,155,135</u></b>	<b><u>\$ 2,069,731</u></b>
<b><u>COMPONENT UNIT</u></b>					
Revenue bond payable - RDA	<b><u>\$ 3,000,000</u></b>	<b><u>\$ 3,890,000</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 6,890,000</u></b>	<b><u>\$ -</u></b>

In prior years, the General Fund, Municipal Airport, Parking Utility, Water Utility, Sewer Utility, and Sanitary Sewer District Funds liquidated Vacation, Sick, and Comp Pay.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**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, 2022, is comprised of the following individual issues:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/22</u>
<b>Bonds Payable</b>				
GO Bonds Payable A	2012	2.000 - 3.000	2026	\$ 1,450,000
GO Bonds Payable A	2013	2.000 - 2.200	2027	1,860,000
GO Bonds Payable A	2015	2.000 - 3.000	2029	875,000
GO Bonds Payable B	2015	2.000 - 3.000	2024	425,000
GO Bonds Payable A	2017	3.000 - 5.000	2032	3,880,000
GO Bonds Payable B	2017	3.000 - 5.000	2032	2,385,000
GO Bonds Payable D	2017	3.000 - 3.500	2037	12,615,000
GO Bonds Payable A	2018	3.000 - 5.000	2033	2,800,000
GO Bonds Payable A	2019	2.125 - 5.000	2034	5,175,000
GO Bonds Payable A	2020	1.125 - 2.000	2035	5,690,000
GO Bonds Payable C	2020	0.750 - 2.350	2040	32,945,000
GO Refunding Bonds Payable D	2020	0.300 - 1.400	2031	6,440,000
GO Bonds Payable A	2021	1.670 - 4.000	2036	12,035,000
GO Bonds Payable A	2022	3.000 - 4.000	2037	11,710,000
GO Bonds Payable B	2022	3.000 - 4.000	2032	<u>2,765,000</u>
TOTAL BONDS PAYABLE				<u>103,050,000</u>
<b>Notes Payable</b>				
GO Note Payable C - direct placement	2015	2.000	2024	1,000,000
State Trust Fund Loan 2015D - direct borrowing	2015	3.250	2025	116,520
State Trust Fund Loan 2015E - direct borrowing	2015	3.750	2030	483,031
GO Notes Payable A - direct placement	2016	2.000	2026	2,365,000
GO Notes Payable C - direct placement	2017	2.000 - 3.000	2027	890,000
State Trust Fund Loan 2017E - direct borrowing	2017	3.500	2027	444,667
GO Notes Payable B - direct placement	2018	3.000	2028	1,435,000
GO Notes Payable B - direct placement	2019	2.000 - 5.000	2029	1,010,000
GO Notes Payable B - direct placement	2020	1.125 - 2.000	2030	3,475,000
State Trust Fund Loan - TID 17	2020	2.500	2025	359,521
GO Anticipation Notes Payable - direct placement	2021	0.950	2026	4,235,000
GO Notes Payable B - direct placement	2021	1.000 - 2.000	2031	6,330,000
GO Notes Payable C - direct placement	2021	2.000 - 5.000	2031	2,475,000
GO Notes Payable - TID 17	2021	3.500	2026	464,143
State Trust Fund Loan	2022	2.500	2027	470,200
State Trust Fund Loan A	2022	3.000	2032	<u>650,000</u>
TOTAL NOTES PAYABLE				<u>26,203,082</u>
<b>Loan Payable - direct placement</b>				
Financed purchase - BOA Phase I & Phase II	2019	2.400	2039	4,633,497
Financial purchase - Fleet vehicles	2021	8.340	2026	<u>2,717,843</u>
TOTAL LOANS PAYABLE				<u>7,351,340</u>
<b>TOTAL GENERAL OBLIGATION DEBT</b>				<b><u>\$ 136,604,422</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 7 - Long-Term Obligations - Continued**

**General Obligation Debt Limit Calculation**

The 2022 equalized valuation of the City as certified by the Wisconsin Department of Revenue is \$5,131,278,800. The legal debt limit and margin of indebtedness as of December 31, 2022, in accordance with Section 67.03(1)(b) of the Wisconsin Statutes follows:

Debt limit (5 percent of \$5,131,278,800)	\$ 256,563,940
Applicable long-term debt	(136,604,422)
Amount available in debt service fund	<u>18,086,098</u>
<b>MARGIN OF INDEBTEDNESS</b>	<b><u>\$ 138,045,616</u></b>

**Proprietary Fund Debt**

Proprietary fund debt is expected to be repaid by fund revenue and is compromised of the following individual issue at December 31, 2022:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/22</u>
Revenue Bond Anticipation Notes	2022	1.576%	2041	<b><u>\$ 25,109,184</u></b>

**Component Unit Debt**

Component unit debt is expected to be repaid by revenue of the entity and contributions from the City pursuant the contribution and cooperative agreement. Component unit debt at December 31, 2022, is compromised of the following individual issue:

<u>DESCRIPTION</u>	<u>ISSUE DATES</u>	<u>INTEREST RATES (%)</u>	<u>FINAL MATURITY</u>	<u>BALANCE 12/31/22</u>
Taxable Interim Redevelopment Revenue Bond	2021	1.890%	2026	\$ 3,000,000
Taxable Interim Redevelopment Revenue Bond	2022	2.520%	2027	<u>3,890,000</u>
				<b><u>\$ 6,890,000</u></b>

**Maturities of Long-Term Obligations**

Maturities of the long-term obligations at December 31, 2022, are:

<u>YEARS</u>	<u>GENERAL OBLIGATION DEBT</u>					
	<u>BONDS</u>		<u>NOTES PAYABLE DIRECT BORROWING AND PLACEMENT</u>		<u>LOANS DIRECT PLACEMENT</u>	
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>
2023	\$ 7,290,000	\$ 2,555,080	\$ 4,323,702	\$ 574,531	\$ 1,330,456	\$ 208,930
2024	7,115,000	2,323,475	4,362,292	488,595	1,139,704	195,614
2025	7,115,000	2,115,228	3,192,643	381,729	778,417	159,584
2026	7,315,000	1,913,120	6,849,128	265,337	396,966	112,676
2027	7,135,000	1,723,843	2,058,823	162,668	281,875	90,489
2028-2032	34,985,000	6,131,034	5,416,494	218,481	1,363,628	332,039
2033-2036	21,555,000	2,260,158	-	-	1,214,925	141,610
2037-2040	10,540,000	552,852	-	-	845,369	27,428
<b>TOTAL</b>	<b><u>\$103,050,000</u></b>	<b><u>\$ 19,574,790</u></b>	<b><u>\$ 26,203,082</u></b>	<b><u>\$ 2,091,341</u></b>	<b><u>\$ 7,351,340</u></b>	<b><u>\$ 1,268,370</u></b>



**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

**NOTE 7 - Long-Term Obligations - Continued**

YEARS	PROPRIETARY FUND DEBT		COMPONENT UNIT DEBT	
	REVENUE BONDS		REVENUE BONDS	
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST
2023	\$ -	\$ 397,873	\$ -	\$ 151,460
2024	1,217,328	386,128	-	154,728
2025	1,236,513	366,792	-	154,728
2026	1,256,000	347,151	3,000,000	154,728
2027	1,275,795	327,200	3,890,000	98,028
2028-2032	6,686,984	1,325,564	-	-
2033-2036	5,739,055	667,914	-	-
2037-2041	7,697,509	307,075	-	-
	<u>\$ 25,109,184</u>	<u>\$ 4,125,697</u>	<u>\$ 6,890,000</u>	<u>\$ 713,672</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, 2022 is \$4,531,082.

**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>.

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

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

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 9 - Wisconsin Retirement System - Continued**

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

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

The WRS also provides death and disability benefits for employees.

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

Year	Core Fund Adjustment (%)	Variable Fund Adjustment (%)
2012	(7.0)	(7.0)
2013	(9.6)	9.0
2014	4.7	25.0
2015	2.9	2.0
2016	0.5	(5.0)
2017	2.0	4.0
2018	2.4	17.0
2019	0.0	(10.0)
2020	1.7	21.0
2021	5.1	13.0

**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 \$3,540,369 in contributions from the employer.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

**NOTE 9 - Wisconsin Retirement System - Continued**

Contribution rates as of December 31, 2021 are:

<b>Employee Category</b>	<b>Employee</b>	<b>Employer</b>
General (including teachers, executives, and elected officials)	6.75%	6.75%
Protective with Social Security	6.75%	11.75%
Protective without Social Security	6.75%	16.35%

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

At December 31, 2022, the City reported a liability (asset) of (\$24,845,089) for its proportionate share of the net pension liability (asset). The net pension liability (asset) was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 0.00135803%, which was a decrease of 0.30824469% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized pension expense of \$2,167,697.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$40,135,985	\$ 2,894,238
Net differences between projected and actual earnings on pension plan investments	-	55,580,531
Changes in assumptions	4,635,244	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	19,155	28,424
Employer contributions subsequent to the measurement date	3,727,031	-
<b>Total</b>	<b>\$48,517,415</b>	<b>\$58,503,193</b>

\$3,727,031 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

<b>Year ended December 31:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2023	\$(1,165,674)
2024	(6,734,528)
2025	(2,967,579)
2026	(2,845,028)

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

**NOTE 9 - Wisconsin Retirement System - Continued**

**Actuarial Assumptions** - The total pension liability (asset) in the December 31, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

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

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

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. Based on this experience study, actuarial assumptions used to measure the Total Pension Liability changed from prior year, including the discount rate, long-term expected rate of return, post-retirement adjustment, price inflation, mortality and separation rates. The Total Pension Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the December 31, 2020 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, 2021)**

	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
<b>Core Fund Asset Class</b>			
Global Equities	52	6.8	4.2
Fixed Income	25	4.3	1.8
Inflation Sensitive Assets	19	2.7	0.2
Real Estate	7	5.6	3
Private Equity/Debt	12	9.7	7
Total Core Fund	115	6.6	4

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 9 - Wisconsin Retirement System - Continued**

	<b>Asset Allocation %</b>	<b>Long-Term Expected Nominal Rate of Return %</b>	<b>Long-Term Expected Real Rate of Return %</b>
<b><u>Variable Fund Asset Class</u></b>			
U.S. Equities	70	6.3	3.7
International Equities	30	7.2	4.6
Total Variable Fund	100	6.8	4.2
New England Pension Consultants Long-Term US CPI (Inflation) Forecast : 2.5%			
Asset Allocations are managed within established ranges, target percentages may differ from actual monthly allocations			
The investment policy used for the Core Fund involves reducing equity exposure by leveraging lower-volatility assets, such as fixed income securities. This results in an asset allocation beyond 100%. Currently, an asset allocation target of 15% policy leverage is used, subject to an allowable range of up to 20%.			

**Single Discount Rate** - A single discount rate of 6.8% was used to measure the Total Pension Liability, as opposed to a discount rate of 7.0% for the prior year. This single discount rate is based on the expected rate of return on pension plan investments of 6.80% and a municipal bond rate of 1.84% (Source: Fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-year Municipal GO AA Index" as of December 31, 2021. In describing this index, Fidelity notes that the Municipal Curves are constructed using option-adjusted analytics of a diverse population of over 10,000 tax- exempt securities.). Because of the unique structure of WRS, the 6.8% expected rate of return implies that a dividend of approximately 1.7% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the municipal bond rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the City's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** - The following presents the City's proportionate share of the net pension liability (asset) calculated using the discount rate of 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 percent) or 1-percentage-point higher (7.8 percent) than the current rate:

	<b>1% Decrease to Discount Rate (5.8%)</b>	<b>Current Discount Rate (6.8%)</b>	<b>1% Increase To Discount Rate (7.8%)</b>
City of La Crosse's proportionate share of the net pension liability (asset)	\$17,629,352	(\$24,845,089)	(\$55,418,783)

**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, 2022, the City reported a payable of \$716,405 for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2022

**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.

Contribution rates as of December 31, 2022 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, 2021 are as listed below:

Life Insurance Employee Contribution Rates For the year ended December 31, 2021		
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

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

During the reporting period, the LRLIF recognized \$23,773 contributions from the employer.

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

At December 31, 2022, the City reported a liability (asset) of \$6,865,107 for its proportionate share of the net OPEB liability (asset). The net OPEB liability (asset) was measured as of December 31, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of December 31, 2020 rolled forward to December 31, 2021. 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, 2021, the City's proportion was 1.6153600%, which was a decrease of 0.064687% from its proportion measured as of December 31, 2020.

For the year ended December 31, 2022, the City recognized OPEB expense of \$831,409.

At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEBs from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 349,225
Net differences between projected and actual earnings on OPEB investments	89,320	-
Changes in assumptions	2,074,186	332,755
Changes in proportion and differences between employer contributions and proportionate share of contributions	123,012	264,727
Employer contributions subsequent to the measurement date	70,609	-
<b>Total</b>	<b>\$2,357,127</b>	<b>\$ 946,707</b>

\$70,609 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<b>Year ended December 31:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2023	\$314,566
2024	304,204
2025	272,483
2026	343,007
2027	139,438
2028	(33,887)

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**Actuarial Assumptions** - The total OPEB liability in the January 1, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2021
Measurement Date of Net OPEB Liability (Asset)	December 31, 2021
Actuarial Cost Method:	Entry Age Normal
0 Year Tax-Exempt Municipal Bond Yield:	2.06%
Long-Term Expected Rated of Return:	4.25%
Discount Rate:	2.17%
Salary Increases	
Inflation:	3.00%
Seniority/Merit:	0.10% - 5.60%
Mortality:	Wisconsin 2020 Mortality Table

Actuarial assumptions are based upon an experience study conducted in 2021 that covered a three-year period from January 1, 2018 to December 31, 2020. Based on this experience study, actuarial assumptions used to measure the Total OPEB Liability changed from the prior year, including the price inflation, mortality and separation rates. The Total OPEB Liability for December 31, 2021 is based upon a roll-forward of the liability calculated from the January 1, 2021 actuarial valuation.

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

**Local OPEB Life Insurance**  
Asset Allocation Targets and Expected Returns  
As of December 31, 2021

<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 Interm Credit	45%	1.68%
US Long Credit Bonds	Bloomberg US Long Credit	5%	1.82%
US Mortgages	Bloomberg US MBS	50%	1.94%
Inflation			2.30%
Long-Term Expected Rate of Return			4.25%



**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2022

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

The long-term expected rate of return remained unchanged from the prior year at 4.25%. 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 increased from 2.20% as of December 31, 2020 to 2.30% as of December 31, 2021.

**Single Discount Rate** - A single discount rate of 2.17% was used to measure the Total OPEB Liability for the current year, as opposed to a discount rate of 2.25% for the prior year. The significant change in the discount rate was primarily caused by the decrease in the municipal bond rate from 2.12% as of December 31, 2020 to 2.06% as of December 31, 2021. The Plan's fiduciary net position was projected to be insufficient to make all projected future benefit payments of current active and inactive members. Therefore, the discount rate for calculating the Total OPEB Liability is equal to the single equivalent rate that results in the same actuarial present value as the long-term expected rate of return applied to benefit payments, to the extent that the plan's fiduciary net position is projected to be sufficient to make projected benefit payments, and the municipal bond rate applied to benefit payment to the extent that the plan's fiduciary net position is projected to be insufficient. The plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through December 31, 2036.

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

**Sensitivity of the District's Proportionate Share of the Net OPEB Liability (Asset) to Changes in the Discount Rate** - The following presents the District's proportionate share of the net OPEB liability (asset) calculated using the discount rate of 2.17 percent, as well as what the District's proportionate share of the net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (1.17 percent) or 1-percentage-point higher (3.17 percent) than the current rate:

	<b>1% Decrease to Discount Rate (1.17%)</b>	<b>Current Discount Rate (2.17%)</b>	<b>1% Increase To Discount Rate (3.17%)</b>
City of La Crosse's proportionate share of the net pension liability (asset)	\$9,313,476	\$6,865,107	\$5,022,811

**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>.

**Payables to the OPEB Plan**

At December 31, 2022, the City reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended December 31, 2022.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**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, 2020 measurement date, the following employees were covered by the benefit terms. The plan is closed to new entrants.

Inactive employees or beneficiaries currently receiving benefits	153
Inactive employees entitled to but not yet receiving benefits	-
Active employees	<u>183</u>
<b>Total</b>	<b><u>336</u></b>

**Contributions** - The City Council has the authority to establish the contribution requirements for the plan. Under the current plan, no contributions are made directly, rather the eligible retirees continue to be covered under the City's healthcare plan and the City pays a portion of the premium. The Council establishes contribution rates based on premiums and an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the unfunded accrued liability. For the year ended December 31, 2022, the City paid \$2,671,599 in premium benefits.

**Actuarial Assumptions** - The OPEB healthcare liability in the December 31, 2020, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	January 1, 2020
Measurement Date:	December 31, 2020
Actuarial Cost Method:	Entry Age Normal
Long-Term Expected Rate of Return:	N/A
Discount Rate:	1.93%
Salary Increases:	4.31%
Mortality:	WRS December 31, 2019 Valuation
Medical Care Cost Trend:	5% decreasing by .40% per year to 4.5%, and level thereafter

The actuarial valuation was based upon the data provided by the City and utilized the premium rate history of the City's medical plans as well as the trends used in the prior valuation and projected a stream of expected premium rates for each year in the future based on the data as of January 1, 2020. Actuarial assumptions are based upon the Wisconsin Retirement System December 31, 2019 Actuarial Valuation Report.

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

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

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

**Discount Rate** - A discount rate of 4.31% 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**

	OPEB HEALTHCARE LIABILITY
BEGINNING BALANCE	<u>\$37,728,785</u>
Changes for the year:	
Service	1,134,196
Interest	818,843
Difference between expected and actual experience	422,812
Changes of assumption and other inputs	(3,787,202)
Benefit payments	<u>(2,671,599)</u>
NET CHANGES	<u>(4,082,950)</u>
<b>ENDING BALANCE</b>	<b><u>\$33,645,835</u></b>

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

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

	1% Decrease to Healthcare Cost Rate (4% decreasing to 3.5%)	Current Healthcare Cost Rate (5% decreasing to 4.5%)	1% Increase to Healthcare Cost Rate (6% decreasing to 5.5%)
OPEB healthcare liability	\$31,153,629	\$33,645,835	\$36,474,832

**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 4.31 percent, as well as what the OPEB healthcare liability would be if it were calculated using a discount rate that is 1-percentage-point lower (0.93 percent) or 1-percentage-point higher (2.93 percent) than the current rate:

	1% Decrease to Discount Rate (3.31%)	Current Discount Rate (4.31%)	1% Increase to Discount Rate (5.31%)
OPEB healthcare liability	\$35,775,983	\$33,645,835	\$31,681,841

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

For the year ended December 31, 2022, the City recognized OPEB healthcare expense of \$3,473,075.

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

At December 31, 2022, 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	\$ 326,797	\$ 6,889,603
Changes in assumptions	2,090,282	5,113,949
Net differences between projected and actual earnings on pension plan investments	-	-
Employer contributions subsequent to the measurement date	-	-
<b>Total</b>	<b>\$2,417,079</b>	<b>\$12,003,552</b>

\$-0- reported as deferred outflows related to OPEB healthcare resulting from contributions subsequent to the measurement date will be recognized as a reduction on the net OPEB healthcare liability (asset) in the year ended December 31, 2023. 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
2023	\$(5,426,113)
2024	(2,992,505)
2025	(859,504)
2026	(308,351)

**Payables to the OPEB Healthcare Plan** - The City reported a payable of zero for the outstanding amount of contributions to the OPEB Healthcare plan required for the year ended December 31, 2022.

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

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>
Due To/From Other Funds		
General	Water Utility	\$ 814,283
General	Federal Grants	413,413
General	TIF District #8	2,719
General	TIF District #11	791,746
General	TIF District #19	329
		<b><u>\$ 2,022,490</u></b>
Advances To/From Other Funds:		
General Fund	Transit	\$ 2,572,041
General Fund	TIF District #12	65,585
General Fund	Special Assigned	160,000
Parking Utility	TIF District #11	1,000,000
Water Utility	TIF District #10	202,364
Sewer Utility	TIF District #12	20,728
Debt Service Fund	TIF District #11	1,000,000
Special Assigned	TIF District #12	127,802
General Fund	HUD Grants	250,000
Debt Service Fund	Sewer Utility	10,100,000
		<b><u>\$ 15,498,520</u></b>

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

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

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

Individual fund transfers during 2022 are as follows:

<u>TRANSFER OUT</u>	<u>TRANSFER IN:</u>				<u>TOTAL</u>
	<u>GENERAL FUND</u>	<u>DEBT SERVICE</u>	<u>NONMAJOR GOVERNMENTAL FUNDS</u>	<u>PARKING UTILITY</u>	
General Fund	\$ -	\$ 8,235,583	\$ -	\$ -	\$ 8,235,583
Nonmajor Governmental Funds	1,873,898	2,135,275	3,962,340	1,024,431	8,995,944
Water Utility	787,869	-	-	-	787,869
Sewer Utility	4,414	-	-	-	4,414
<b>TOTAL</b>	<b><u>\$ 2,666,181</u></b>	<b><u>\$ 10,370,858</u></b>	<b><u>\$ 3,962,340</u></b>	<b><u>\$ 1,024,431</u></b>	<b><u>\$18,023,810</u></b>

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

**NOTE 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 #8	Awaiting future TIF levies	\$ 14,754
TIF District #10	Awaiting future TIF levies	88,884
TIF District #12	Awaiting future TIF levies	177,273
TIF District #19	Awaiting future TIF levies	329
	<b>Total Deficits</b>	<b><u>\$ 281,240</u></b>

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

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Nonspendable</u>		
General Fund	Inventory and prepaid expenses	\$ 111,119
General Fund	Advances to other funds	3,047,626
General Fund	Delinquent personal property tax	335,952
HUD Grants	Prepaid expenses	384
La Crosse Center	Inventory and prepaids	14,614
Transit	Prepaid expenses and inventory	226,269
Special Assigned	Prepaid expenses	2,758
Special Assigned	Advances to other funds	127,802
Debt Service	Advances to other funds	11,100,000
	<b>Total Nonspendable</b>	<b><u>\$ 14,966,524</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 13 - Net Position and Fund Balances - Continued**

<u>FUND</u>	<u>PURPOSE/REASON</u>	<u>AMOUNT</u>
<u>Restricted</u>		
Debt Service	Future debt repayment	\$ 6,986,098
Building and Land Capital Projects	Unspent bond monies	8,691,631
Capital Projects	Unspent bond monies	1,990,900
TIF District #11	Future TIF expenditures	2,216,121
TIF District #13	Future TIF expenditures	9,559,527
TIF District #14	Future TIF expenditures	3,699,452
TIF District #15	Future TIF expenditures	604,142
TIF District #16	Future TIF expenditures	174,354
TIF District #17	Future TIF expenditures	1,605,687
TIF District #20	Future TIF expenditures	22,578
Capital Equipment	Unspent bond monies	1,981,653
Flood Plan Control	Unspent bond monies	39,020
Parks and Recreation	Unspent bond monies	2,190,040
Roadway and Infrastructure	Unspent bond monies	10,328,649
HUD Grants	Future loan payments	1,140,765
Housing	Future payments	3,625
Federal Grants	Future payments	83,305
	<b>Total Restricted</b>	<b><u>\$ 51,317,547</u></b>
<u>Committed</u>		
State Grants	Future grant expenditures	\$ 397,504
Library	Future library expenditures	2,050,149
La Crosse Center	Future La Crosse Center expenditures	302,812
Special Assessments	Future special assessment expenditures	313,480
Special Assigned	Expenditures related to prior year budget commitments	9,369,473
Room Tax	Future room tax expenditures	2,588,051
	<b>Total Committed</b>	<b><u>\$ 15,021,469</u></b>
<u>Restricted - Governmental Activities</u>		
Capital Projects	Various projects	\$ 43,107,379
Debt Service	Future debt repayment	6,986,098
Special Revenue	Unspent bond monies (HUD & Federal)	1,224,070
Other Activities	Wisconsin Retirement System pension asset	23,023,060
	<b>Total Restricted - Governmental Activities</b>	<b><u>\$ 74,340,607</u></b>
<u>Restricted - Proprietary Funds and Business-Type Activities</u>		
Airport	Restricted for future projects	\$ 823,629
Airport	Wisconsin Retirement System pension asset	374,246
Parking	Wisconsin Retirement System pension asset	268,841
Sewer	DNR replacement reserve	1,908,626
Sewer	Wisconsin Retirement System pension asset	562,946
Water	Replacement fund	136,655
Water	Wisconsin Retirement System pension asset	442,475
Storm	Restricted for future projects	57,377
Storm	Wisconsin Retirement System pension asset	173,521
	<b>Total Restricted - Proprietary Funds and Business-Type Activities</b>	<b><u>\$ 4,748,316</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**NOTE 14 - Contingent Liabilities and Commitments**

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

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

The Component Unit has contracted with a master developer for a development project. The contract includes performance incentives with a maximum of \$825,000. The Component Unit also has a construction contract for the same development with \$10,703,721 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.

The City has eleven active Tax Incremental Financing Districts. The following are project summaries of the activity and status of the districts through December 31, 2022:

	#10	#11	#12	#13	#14
<b>SOURCES OF FUNDS</b>					
TIF tax collections	\$ 1,059,130	\$ 39,349,008	\$ 8,626,554	\$ 17,185,397	\$ 16,075,313
Exempt computer aids	688,807	5,562,350	132,623	1,957,656	12,330,653
Payment from other government	100,278	-	-	-	-
Sale of assets	26,806	828,002	42,200	354,206	427,933
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	2,588	156,946	8,514	151,211	134,022
Proceeds from long-term debt	240,750	37,061,983	7,355,928	8,586,767	1,185,993
Settlement from private	-	-	-	-	3,673,737
Transfers from other TIF's	-	400,608	748,500	2,036	5,000
<b>TOTAL SOURCES</b>	<b>2,118,359</b>	<b>91,492,220</b>	<b>16,956,959</b>	<b>29,080,308</b>	<b>35,071,018</b>
<b>USES OF FUNDS</b>					
Capital expenditures	1,989,165	58,651,436	9,529,410	12,029,047	18,989,499
Principal and interest on long-term debt	186,530	27,329,330	7,568,685	5,595,868	450,823
Interest on advances	31,548	925,209	36,137	46,157	8,781
Incentives for reverse TIF	-	2,370,124	-	188,685	11,922,463
Transfers to other TIF's	-	-	-	1,661,024	-
<b>TOTAL USES</b>	<b>2,207,243</b>	<b>89,276,099</b>	<b>17,134,232</b>	<b>19,520,781</b>	<b>31,371,566</b>
<b>FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021</b>	<b>\$ (88,884)</b>	<b>\$ 2,216,121</b>	<b>\$ (177,273)</b>	<b>\$ 9,559,527</b>	<b>\$ 3,699,452</b>
<b>FUTURE REQUIREMENTS</b>					
Debt service	-	\$ 16,576,111	\$ 3,958,659	\$ 4,550,767	\$ 25,823
Advances from other funds	202,364	2,000,000	214,115	-	-
Interest on advances	19,245	253,600	27,150	-	-
Proceeds from other governments	708,011	-	-	-	-
Estimated payable (developer's agreement)	-	3,860,000	-	-	5,575,000
Less receivables/plus payables	-	803,258	-	37,120	(30,000)
<b>TOTAL FUTURE REQUIREMENTS</b>	<b>929,620</b>	<b>23,492,969</b>	<b>4,199,924</b>	<b>4,587,887</b>	<b>5,570,823</b>
Less cash on hand (deficit)	(113,480)	(5,019,379)	(36,842)	(9,596,647)	(3,669,452)
<b>BALANCE TO BE COLLECTED ON TIF DISTRICT</b>	<b>\$ 816,140</b>	<b>\$ 18,473,590</b>	<b>\$ 4,163,082</b>	<b>\$ (5,008,760)</b>	<b>\$ 1,901,371</b>
<b>DISTRICT TERMINATION DATE</b>	<b>2030</b>	<b>2031</b>	<b>2032</b>	<b>2026</b>	<b>2026</b>
<b>2022 Tax Increment</b>	<b>\$ 271,620</b>	<b>\$ 3,074,050</b>	<b>\$ 451,659</b>	<b>\$ 2,729,672</b>	<b>\$ 1,396,364</b>

**CITY OF LA CROSSE, WISCONSIN**  
**NOTES TO BASIC FINANCIAL STATEMENTS - Continued**  
**DECEMBER 31, 2022**

**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>
<b>SOURCES OF FUNDS</b>						
TIF tax collections	\$ 5,731,317	\$ 1,148,262	\$ 7,874,723	\$ 14,415	\$ -	\$ 22,581
Exempt computer aids	549,862	15,091	103,290	-	-	-
Payment from other government	-	-	1,003,448	-	-	-
Sale of assets	30,704	-	138,609	-	-	-
Grants	-	-	2,722	-	-	-
Economic development proceeds	-	30,000	-	-	-	-
Judgment/liquidated damages	4,670	-	-	-	-	-
Loan repayments	53,542	-	-	-	-	-
Interest income	12,941	10,610	50,876	1,876	1	327
Proceeds from long-term debt	-	1,736,875	16,190,000	-	-	-
Proceeds from entity	272,935	803,739	-	-	-	-
Transfers from other TIF's	-	-	-	1,661,024	10,000	10,000
<b>TOTAL SOURCES</b>	<u>6,655,971</u>	<u>3,744,577</u>	<u>25,363,668</u>	<u>1,677,315</u>	<u>10,001</u>	<u>32,908</u>
<b>USES OF FUNDS</b>						
Capital expenditures	4,535,946	3,204,710	17,128,447	1,692,069	10,330	10,330
Principal and interest on long-term debt	-	339,596	6,629,106	-	-	-
Interest on advances	24	25,917	428	-	-	-
Incentives for reverse TIF	1,515,859	-	-	-	-	-
<b>TOTAL USES</b>	<u>6,051,829</u>	<u>3,570,223</u>	<u>23,757,981</u>	<u>1,692,069</u>	<u>10,330</u>	<u>10,330</u>
<b>FUND (DEFICIT) BALANCES AS OF DECEMBER 31, 2021</b>	<u>\$ 604,142</u>	<u>\$ 174,354</u>	<u>\$ 1,605,687</u>	<u>\$ (14,754)</u>	<u>\$ (329)</u>	<u>\$ 22,578</u>
<b>FUTURE REQUIREMENTS</b>						
Debt service	\$ -	\$ 470,839	\$ 10,893,009	\$ -	\$ -	\$ -
Estimated payable (developer's agreement)	4,125,000	-	840,000	-	-	-
Less receivables/plus payables	11,644	35,925	(6,034)	14,754	329	-
<b>TOTAL FUTURE REQUIREMENTS</b>	<u>4,136,644</u>	<u>506,764</u>	<u>11,726,975</u>	<u>14,754</u>	<u>329</u>	<u>-</u>
Less cash on hand (deficit)	(615,786)	(210,279)	(1,599,653)	-	-	(22,578)
<b>BALANCE TO BE COLLECTED OF TIF DISTRICT</b>	<u>\$ 3,520,858</u>	<u>\$ 296,485</u>	<u>\$ 10,127,322</u>	<u>\$ 14,754</u>	<u>\$ 329</u>	<u>\$ (22,578)</u>
DISTRICT TERMINATION DATE	2033	2034	2035	2042	2042	2042
<b>2022 Tax Increment</b>	<u>\$ 840,997</u>	<u>\$ 276,716</u>	<u>\$ 1,504,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,414</u>



**CITY OF LA CROSSE, WISCONSIN**  
 NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
 DECEMBER 31, 2022

**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 \$100,000 per individual after the City has met a \$100,000 special combined aggregating deductible.

**Claims Liabilities** - The City records an estimated liability for health care, workers' compensation, and liability claims against the City. Claims liabilities are based on estimates of the ultimate cost of reported claims (including future claim adjustment expenses) and an estimate for claims incurred but not reported based on historical experience.

**Unpaid Claims Liabilities** - The following represent the changes in approximate aggregate liabilities for the City from January 1, 2021 to December 31, 2022:

	<u>Health Care</u>	<u>Workers' Compensation</u>	<u>Liability</u>
Liability Balance, January 1, 2021	\$ 3,326,424	\$ 933,371	\$ 536,970
Claims and changes in estimates	11,999,378	(42,638)	40,189
Claim payments	<u>(10,317,539)</u>	<u>(38,911)</u>	<u>(128,649)</u>
Liability Balance, January 1, 2022	5,008,263	851,822	448,510
Claims and changes in estimates	8,966,642	469,193	228,442
Claim payments	<u>(9,190,159)</u>	<u>(255,657)</u>	<u>(278,309)</u>
<b>LIABILITY BALANCE, DECEMBER 31, 2022</b>	<b><u>\$ 4,784,746</u></b>	<b><u>\$ 1,065,358</u></b>	<b><u>\$ 398,643</u></b>

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

**Participation in Risk Pool**

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

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO BASIC FINANCIAL STATEMENTS - Continued  
DECEMBER 31, 2022

**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.

**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, 2022**

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL		
<b>REVENUE</b>				
Taxes	\$ 38,721,079	\$ 38,721,079	\$ 39,739,519	\$ 1,018,440
Intergovernmental	17,803,032	17,803,032	17,021,005	(782,027)
Licenses and permits	1,290,255	1,290,255	2,238,860	948,605
Fines, forfeits, and penalties	1,100	1,100	1,131	31
Public charges for services	1,929,115	1,929,115	1,614,161	(314,954)
Intergovernmental charges for services	1,946,333	1,946,333	2,028,506	82,173
Miscellaneous	816,654	816,654	3,676,104	2,859,450
Change in FMV of investments	-	-	(3,174,665)	(3,174,665)
<b>TOTAL REVENUE</b>	<u>62,507,568</u>	<u>62,507,568</u>	<u>63,144,621</u>	<u>637,053</u>
<b>EXPENDITURES</b>				
Current				
General government	10,022,004	9,851,381	8,546,264	1,305,117
Public safety	26,577,199	26,594,701	26,408,664	186,037
Public works	10,047,699	10,047,699	9,771,582	276,117
Health and human services	149,000	149,000	108,938	40,062
Culture, recreation, and education	11,963,561	11,981,321	12,358,493	(377,172)
Conservation and development	436,988	556,988	488,402	68,586
Capital outlay	272,200	272,200	210,673	61,527
<b>TOTAL EXPENDITURES</b>	<u>59,468,651</u>	<u>59,453,290</u>	<u>57,893,016</u>	<u>1,560,274</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<u>3,038,917</u>	<u>3,054,278</u>	<u>5,251,605</u>	<u>2,197,327</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	5,047,559	5,047,559	2,667,698	(2,379,861)
Operating transfers (out)	(8,121,476)	(8,136,837)	(8,235,583)	(98,746)
Sale of capital assets	35,000	35,000	148,673	113,673
<b>TOTAL OTHER FINANCING (USES)</b>	<u>(3,038,917)</u>	<u>(3,054,278)</u>	<u>(5,419,212)</u>	<u>(2,364,934)</u>
<b>NET CHANGE IN FUND BALANCE</b>	-	-	(167,607)	(167,607)
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>19,513,829</u>	<u>19,513,829</u>	<u>19,513,829</u>	<u>-</u>
<b>FUND BALANCE - END OF YEAR</b>	<u><b>\$ 19,513,829</b></u>	<u><b>\$ 19,513,829</b></u>	<u><b>\$ 19,346,222</b></u>	<u><b>\$ (167,607)</b></u>

The accompanying notes are an integral part of this schedule.

**CITY OF LA CROSSE, WISCONSIN**  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
ON BUDGETARY ACCOUNTING AND CONTROL  
YEAR ENDED DECEMBER 31, 2022

**Budgets and Budgetary Accounting** - The City follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Finance Committee recommends to the Common Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted in the Council Chambers to obtain taxpayer comments.
3. Prior to December 1, the budget is legally enacted through passage of a resolution.
4. The Director of Finance is authorized to transfer budget amounts within departments; however, any revisions that alter the total expenditures of any department must be approved by the Common Council.
5. Formal budgetary integration is employed as a management control device during the year for the General Fund. Capital Projects Funds are budgeted on a project basis, rather than an annual basis. Formal budgets are not adopted for the Special Revenue Funds since they are not supported by property taxes, and effective control is achieved through alternative methods. Since all general obligation debt is secured by the full faith and credit of the City, budgetary control of the Debt Service Fund is achieved in the General Fund (which budgets an operating transfer to Debt Service for payment of principal and interest).
6. Budgets for the General Fund are adopted on a basis consistent with accounting principles generally accepted in the United States of America.
7. Budgetary expenditure control is exercised at the department level within the Fund.
8. Budgeted amounts are as authorized in the original budget resolution and subsequent revisions are authorized by the Common Council.
9. The supplementary appropriations to decrease the total General Fund budget during the year were \$15,361.
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 culture, recreation, and education by \$377,172 for the year ended December 31, 2022. 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, 2022**

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

	2022	2021	2020	2019	2018
<b>Total OPEB Healthcare Liability</b>					
Service cost	\$ 1,134,196	\$ 1,353,237	\$ 1,039,468	\$ 1,665,034	\$ 1,512,531
Interest	818,843	732,355	1,618,378	1,792,678	2,161,436
Changes of benefit terms	-	-	-	-	-
Differences between expected and actual experience	422,812	-	(13,863,827)	-	(8,856,250)
Changes of assumptions or other input	(3,787,202)	(726,246)	2,816,961	879,410	(3,448,173)
Benefit payments	(2,671,599)	(3,152,716)	(3,464,664)	(4,414,782)	(4,449,578)
Administrative expense	-	-	-	-	-
Other changes	-	-	-	(3,291)	(2,208,450)
Net Changes in Total OPEB Healthcare Liability	(4,082,950)	(1,793,370)	(11,853,684)	(80,951)	(15,288,484)
Total OPEB Healthcare Liability - Beginning	<u>37,728,785</u>	<u>39,522,155</u>	<u>51,375,839</u>	<u>51,456,790</u>	<u>66,745,274</u>
<b>Total OPEB Healthcare Liability - Ending</b>	<b><u>\$ 33,645,835</u></b>	<b><u>\$ 37,728,785</u></b>	<b><u>\$ 39,522,155</u></b>	<b><u>\$ 51,375,839</u></b>	<b><u>\$ 51,456,790</u></b>
Covered payroll	\$ 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	251.25%	189.71%	206.68%	251.34%	251.73%

SCHEDULE OF CONTRIBUTIONS  
Last 10 Fiscal Years

	2022	2021	2020	2019	2018
Actuarially determined contributions	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the actuarially determined contributions	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 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	1/1/2022	1/1/2020	1/1/2020	1/1/2018	1/1/2018
Measurement date	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, 2022**

Methods and assumptions used to determine actuarially calculations - entry age normal cost, 30 year level % open amortization, fair market value asset valuation, 2.25% discount rate, 4% salary increases, Wisconsin 2019 mortality table.

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

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

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2022**

**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)
2021	0.30824469%	\$ (24,845,089)	\$ 35,303,238	-70.38%	106.02%
2020	0.30960272%	(19,328,927)	36,278,721	-53.28%	105.26%
2019	0.30594952%	(9,865,210)	35,174,534	-28.05%	102.96%
2018	0.29907982%	10,640,823	33,894,372	31.39%	96.45%
2017	0.28830557%	(8,560,134)	32,414,141	-26.41%	102.93%
2016	0.27955334%	2,304,187	31,820,938	7.24%	99.12%
2016	0.27169553%	4,414,500	30,422,348	14.51%	98.20%
2014	0.27001724%	(6,632,361)	29,513,033	-22.47%	102.74%

**SCHEDULE OF CONTRIBUTIONS**  
**Last 10 Fiscal Years**

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

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

**Notes to Required Supplementary Information for the Year Ended December 31, 2022**

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

Changes of assumptions - No significant change in assumptions were noted from the prior year.

**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued**  
**YEAR ENDED DECEMBER 31, 2022**

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

	2021	2020	2019	2018	2017
Valuation Date:	December 31, 2019	December 31, 2018	December 31, 2017	December 31, 2016	December 31, 2015
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%	5.5%	5.5%	5.5%
Weighted Based on Assumed Rate for;					
Pre-retirement:	7.0%	7.0%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%	5.0%
Salary Increases					
Wage Inflation:	3.0%	3.0%	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*:	1.9%	1.9%	2.1%	2.1%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2018 valuation pursuant to an experience study of the period 2015-2017	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2015 valuation pursuant to an experience study of the period 2012-2014	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
Retirement Age:	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2018 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2018 fully generational improvement scale (multiplied by 60%)	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience adjusted for future mortality improvements using the MP-2015 fully generational improvement scale (multiplied by 50%)	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%)

**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.

(Continued on page 71)



**CITY OF LA CROSSE, WISCONSIN**  
**WISCONSIN RETIREMENT SYSTEM PENSION SCHEDULES - Continued**  
**YEAR ENDED DECEMBER 31, 2022**

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

	2016	2015	2014	2013
Valuation Date:	December 31, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Amortization Cost Method:	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
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
Asset Valuation Method:	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%
Weighted Based on Assumed Rate for;				
Pre-retirement:	7.2%	7.2%	7.2%	7.2%
Post-retirement:	5.0%	5.0%	5.0%	5.0%
Salary Increases				
Wage Inflation:	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%
Post-retirement Benefit Adjustments*:	2.1%	2.1%	2.1%	2.1%
	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2012 valuation pursuant to an experience study of the period 2009-2011	Experience - based table of rates that are specific to the type of eligibility condition. Last updated for the 2009 valuation pursuant to an experience study of the period 2006-2008
Retirement Age:	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin 2012 Mortality Table. The rates based on actual WRS experience projected to 2017 with scale BB to all for future improvements (margin) in mortality.	Wisconsin Projected Experience Table - 2005 for women and 90% of the Wisconsin Projected Experience Table - 2005 for men.

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, 2022**

**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)
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
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, 2022**

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

Changes of assumptions - The Single Discount Rate assumption used to develop Total OPEB Liability changed from the prior year.

**CITY OF LA CROSSE, WISCONSIN**

**SUPPLEMENTARY INFORMATION**

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2022**

<u>ASSETS</u>	<u>SPECIAL REVENUE FUNDS</u>	<u>CAPITAL PROJECT FUNDS</u>	<u>TOTAL NONMAJOR GOVERNMENTAL FUNDS</u>
Cash and investments	\$ 16,609,598	\$ 48,764,448	\$ 65,374,046
Receivable			
Taxes	186,789	10,545,271	10,732,060
Accounts and other	542,049	111,926	653,975
Special assessments	604,650	-	604,650
Loan	400,000	655,941	1,055,941
Due from other funds	188,616	6,414	195,030
Due from other governments	2,782,653	167,577	2,950,230
Inventories	235,597	-	235,597
Prepays	8,044	-	8,044
Leases receivable	1,150,122	422,920	1,573,042
Advances to other funds	127,802	-	127,802
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL ASSETS</b>	<b><u>\$ 22,835,920</u></b>	<b><u>\$ 60,674,497</u></b>	<b><u>\$ 83,510,417</u></b>
 <u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>			
 LIABILITIES			
Accounts payable	\$ 329,351	\$ 2,833,156	\$ 3,162,507
Accrued expenses			
Payroll	147,578	-	147,578
Due to other funds	-	794,794	794,794
Due to other governments	1,026,298	75,870	1,102,168
Deposit payable	61,722	-	61,722
Unearned revenue - other	1,377,560	745,023	2,122,583
Advances from other funds	2,732,041	2,416,479	5,148,520
TOTAL LIABILITIES	<u>5,674,550</u>	<u>6,865,322</u>	<u>12,539,872</u>
 DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue - tax roll	188,616	10,551,685	10,740,301
Unavailable revenue - special assessments	590,872	-	590,872
Leases	1,150,122	422,921	1,573,043
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>1,929,610</u>	<u>10,974,606</u>	<u>12,904,216</u>
 FUND BALANCES			
Nonspendable	371,443	-	371,443
Restricted	-	43,115,809	43,115,809
Committed	15,021,469	-	15,021,469
Unassigned	(161,152)	(281,240)	(442,392)
TOTAL FUND BALANCES	<u>15,231,760</u>	<u>42,834,569</u>	<u>58,066,329</u>
	<u>                    </u>	<u>                    </u>	<u>                    </u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b><u>\$ 22,835,920</u></b>	<b><u>\$ 60,674,497</u></b>	<b><u>\$ 83,510,417</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
<b>REVENUE</b>			
Taxes	\$ 397,563	\$ 14,736,945	\$ 15,134,508
Special assessment	371,063	-	371,063
Intergovernmental	5,508,467	5,658,128	11,166,595
Licenses and permits	901,522	-	901,522
Fines, forfeits, and penalties	780,788	-	780,788
Public charges for services	4,317,368	35,441	4,352,809
Intergovernmental charges for services	494,288	-	494,288
Miscellaneous	1,205,609	849,432	2,055,041
Change in fair value of investments	(309,231)	-	(309,231)
<b>TOTAL REVENUE</b>	<b>13,667,437</b>	<b>21,279,946</b>	<b>34,947,383</b>
<b>EXPENDITURES</b>			
Current			
General government	481,418	79,919	561,337
Public safety	505,589	-	505,589
Public works	6,135,931	51,547	6,187,478
Health and human services	181,691	-	181,691
Culture, recreation, and education	4,037,093	-	4,037,093
Conservation and development	418,641	242,285	660,926
Debt service			
Principal	6,015	828,277	834,292
Interest	793	170,563	171,356
Other	-	-	-
Capital outlay	454,598	31,469,633	31,924,231
<b>TOTAL EXPENDITURES</b>	<b>12,221,769</b>	<b>32,842,224</b>	<b>45,063,993</b>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<b>1,445,668</b>	<b>(11,562,278)</b>	<b>(10,116,610)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in	1,961,921	2,000,419	3,962,340
Operating transfers (out)	(3,559,404)	(5,438,057)	(8,997,461)
Sale of capital assets	6,605	847,706	854,311
Issuance of long-term debt	-	16,547,325	16,547,325
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<b>(1,590,878)</b>	<b>13,957,393</b>	<b>12,366,515</b>
<b>EXCESS OF REVENUE AND OTHER SOURCES (UNDER)     OVER EXPENDITURES AND OTHER USES</b>	<b>(145,210)</b>	<b>2,395,115</b>	<b>2,249,905</b>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<b>15,376,970</b>	<b>40,439,454</b>	<b>55,816,424</b>
<b>FUND BALANCE - END OF YEAR</b>	<b>\$ 15,231,760</b>	<b>\$ 42,834,569</b>	<b>\$ 58,066,329</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2022**

<u>ASSETS</u>	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
Cash and investments	\$ 549,447	\$ 67,379	\$ 2,050,149	\$ 826,952	\$ 748,579	\$ 117,014	\$ 9,662,027	\$ 2,588,051	\$ 16,609,598
Receivable									
Taxes	-	-	-	-	-	186,789	-	-	186,789
Accounts and other	61,230	-	-	149,742	198,415	3,315	129,347	-	542,049
Special assessments	-	-	-	-	-	604,650	-	-	604,650
Loan	-	-	-	-	-	-	400,000	-	400,000
Due from other funds	-	-	-	-	-	188,616	-	-	188,616
Due from other governments	81,915	-	-	-	2,694,038	-	6,700	-	2,782,653
Inventories	-	-	-	12,614	222,983	-	-	-	235,597
Prepays	-	-	-	2,000	3,286	-	2,758	-	8,044
Leases receivable	-	-	-	-	-	-	1,150,122	-	1,150,122
Advances to other funds	-	-	-	-	-	-	127,802	-	127,802
<b>TOTAL ASSETS</b>	<b>\$ 692,592</b>	<b>\$ 67,379</b>	<b>\$ 2,050,149</b>	<b>\$ 991,308</b>	<b>\$ 3,867,301</b>	<b>\$ 1,100,384</b>	<b>\$ 11,478,756</b>	<b>\$ 2,588,051</b>	<b>\$ 22,835,920</b>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</u>									
<u>LIABILITIES</u>									
Accounts payable	\$ 13,257	\$ 10,000	\$ -	\$ 76,568	\$ 49,701	\$ 7,416	\$ 172,409	\$ -	\$ 329,351
Accrued expenses									
Payroll	-	-	-	15,807	131,771	-	-	-	147,578
Due to other governments	-	-	-	-	1,002,635	-	23,663	-	1,026,298
Deposit payable	-	-	-	-	-	-	61,722	-	61,722
Unearned revenue - other	281,831	57,379	-	581,507	46,036	-	410,807	-	1,377,560
Advances from other funds	-	-	-	-	2,572,041	-	160,000	-	2,732,041
<b>TOTAL LIABILITIES</b>	<b>295,088</b>	<b>67,379</b>	<b>-</b>	<b>673,882</b>	<b>3,802,184</b>	<b>7,416</b>	<b>828,601</b>	<b>-</b>	<b>5,674,550</b>
<u>DEFERRED INFLOWS OF RESOURCES</u>									
Unavailable revenue - tax roll	-	-	-	-	-	188,616	-	-	188,616
Unavailable revenue - special assessments	-	-	-	-	-	590,872	-	-	590,872
Leases	-	-	-	-	-	-	1,150,122	-	1,150,122
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>779,488</b>	<b>1,150,122</b>	<b>-</b>	<b>1,929,610</b>
<u>FUND BALANCES</u>									
Nonspendable	-	-	-	14,614	226,269	-	130,560	-	371,443
Committed	397,504	-	2,050,149	302,812	-	313,480	9,369,473	2,588,051	15,021,469
Unassigned	-	-	-	-	(161,152)	-	-	-	(161,152)
<b>TOTAL FUND BALANCES</b>	<b>397,504</b>	<b>-</b>	<b>2,050,149</b>	<b>317,426</b>	<b>65,117</b>	<b>313,480</b>	<b>9,500,033</b>	<b>2,588,051</b>	<b>15,231,760</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 692,592</b>	<b>\$ 67,379</b>	<b>\$ 2,050,149</b>	<b>\$ 991,308</b>	<b>\$ 3,867,301</b>	<b>\$ 1,100,384</b>	<b>\$ 11,478,756</b>	<b>\$ 2,588,051</b>	<b>\$ 22,835,920</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR SPECIAL REVENUE FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	STATE GRANTS	LOCAL GRANTS	LIBRARY	LA CROSSE CENTER	TRANSIT	SPECIAL ASSESSMENTS	SPECIAL ASSIGNED	ROOM TAX	TOTAL NONMAJOR SPECIAL REVENUE FUNDS
<b>REVENUE</b>									
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 397,563	\$ 397,563
Special assessment	-	-	-	-	-	371,063	-	-	371,063
Intergovernmental	927,424	50,214	-	-	4,337,072	-	193,757	-	5,508,467
Licenses and permits	-	-	-	-	-	-	901,522	-	901,522
Fines, forfeits, and penalties	-	-	-	-	-	-	780,788	-	780,788
Public charges for services	-	-	-	2,500,314	440,101	-	1,366,619	10,334	4,317,368
Intergovernmental charges for services	-	-	-	-	368,006	-	126,282	-	494,288
Miscellaneous	15,988	-	226,828	29,109	264,665	32,312	593,304	43,403	1,205,609
Change in fair value of investments	-	-	(309,231)	-	-	-	-	-	(309,231)
<b>TOTAL REVENUE</b>	<u>943,412</u>	<u>50,214</u>	<u>(82,403)</u>	<u>2,529,423</u>	<u>5,409,844</u>	<u>403,375</u>	<u>3,962,272</u>	<u>451,300</u>	<u>13,667,437</u>
<b>EXPENDITURES</b>									
Current									
General government	-	11,309	-	-	-	10,261	459,848	-	481,418
Public safety	344,075	-	-	-	-	-	161,514	-	505,589
Public works	-	-	-	-	6,073,265	62,666	-	-	6,135,931
Health and human services	-	-	-	-	-	-	181,691	-	181,691
Culture, recreation, and education	30,422	38,905	238,143	1,779,805	-	-	1,949,818	-	4,037,093
Conservation and development	308,851	-	-	-	-	-	109,790	-	418,641
Debt service									
Principal	-	-	-	-	6,015	-	-	-	6,015
Interest	-	-	-	-	793	-	-	-	793
Capital outlay	60,299	-	-	42,680	80,850	73,088	197,681	-	454,598
<b>TOTAL EXPENDITURES</b>	<u>743,647</u>	<u>50,214</u>	<u>238,143</u>	<u>1,822,485</u>	<u>6,160,923</u>	<u>146,015</u>	<u>3,060,342</u>	<u>-</u>	<u>12,221,769</u>
<b>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</b>	<u>199,765</u>	<u>-</u>	<u>(320,546)</u>	<u>706,938</u>	<u>(751,079)</u>	<u>257,360</u>	<u>901,930</u>	<u>451,300</u>	<u>1,445,668</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	42,752	-	-	110,000	800,925	-	1,008,244	-	1,961,921
Operating transfers (out)	-	-	-	(1,713,657)	(55,000)	(200,000)	(945,403)	(645,344)	(3,559,404)
Sale of capital assets	-	-	-	-	-	-	6,605	-	6,605
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>42,752</u>	<u>-</u>	<u>-</u>	<u>(1,603,657)</u>	<u>745,925</u>	<u>(200,000)</u>	<u>69,446</u>	<u>(645,344)</u>	<u>(1,590,878)</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>242,517</u>	<u>-</u>	<u>(320,546)</u>	<u>(896,719)</u>	<u>(5,154)</u>	<u>57,360</u>	<u>971,376</u>	<u>(194,044)</u>	<u>(145,210)</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>154,987</u>	<u>-</u>	<u>2,370,695</u>	<u>1,214,145</u>	<u>70,271</u>	<u>256,120</u>	<u>8,528,657</u>	<u>2,782,095</u>	<u>15,376,970</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 397,504</u>	<u>\$ -</u>	<u>\$ 2,050,149</u>	<u>\$ 317,426</u>	<u>\$ 65,117</u>	<u>\$ 313,480</u>	<u>\$ 9,500,033</u>	<u>\$ 2,588,051</u>	<u>\$ 15,231,760</u>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**DECEMBER 31, 2022**

ASSETS	CAPITAL PROJECTS	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
Cash and investments	\$ 1,990,900	\$ 113,480	\$ 5,019,379	\$ 36,842	\$ 9,596,647	\$ 3,669,452	\$ 615,786	\$ 210,279	\$ 1,599,653
Receivable									
Taxes	-	271,620	3,074,050	451,659	2,729,672	1,396,364	840,997	276,716	1,504,193
Accounts and other	-	-	7,381	-	4,353	54,349	29,529	-	7,251
Loan	-	-	73,805	-	39,050	247,794	295,292	-	-
Due from other funds	-	-	-	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-	-	-	-
Leases receivable	-	-	-	-	422,920	-	-	-	-
<b>TOTAL ASSETS</b>	<b>\$ 1,990,900</b>	<b>\$ 385,100</b>	<b>\$ 8,174,615</b>	<b>\$ 488,501</b>	<b>\$ 12,792,642</b>	<b>\$ 5,367,959</b>	<b>\$ 1,781,604</b>	<b>\$ 486,995</b>	<b>\$ 3,111,097</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>									
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ 11,512	\$ -	\$ 35,573	\$ -	\$ 11,644	\$ 35,925	\$ 1,217
Accrued expenses	-	-	791,746	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-	-	-	-
Unearned revenue - other	-	-	81,186	-	44,949	272,143	324,821	-	-
Advances from other funds	-	202,364	2,000,000	214,115	-	-	-	-	-
<b>TOTAL LIABILITIES</b>	<b>-</b>	<b>202,364</b>	<b>2,884,444</b>	<b>214,115</b>	<b>80,522</b>	<b>272,143</b>	<b>336,465</b>	<b>35,925</b>	<b>1,217</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue - tax roll	-	271,620	3,074,050	451,659	2,729,672	1,396,364	840,997	276,716	1,504,193
Leases	-	-	-	-	422,921	-	-	-	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>271,620</b>	<b>3,074,050</b>	<b>451,659</b>	<b>3,152,593</b>	<b>1,396,364</b>	<b>840,997</b>	<b>276,716</b>	<b>1,504,193</b>
<b>FUND BALANCES</b>									
Restricted	1,990,900	-	2,216,121	-	9,559,527	3,699,452	604,142	174,354	1,605,687
Unassigned	-	(88,884)	-	(177,273)	-	-	-	-	-
<b>TOTAL FUND BALANCES</b>	<b>1,990,900</b>	<b>(88,884)</b>	<b>2,216,121</b>	<b>(177,273)</b>	<b>9,559,527</b>	<b>3,699,452</b>	<b>604,142</b>	<b>174,354</b>	<b>1,605,687</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>	<b>\$ 1,990,900</b>	<b>\$ 385,100</b>	<b>\$ 8,174,615</b>	<b>\$ 488,501</b>	<b>\$ 12,792,642</b>	<b>\$ 5,367,959</b>	<b>\$ 1,781,604</b>	<b>\$ 486,995</b>	<b>\$ 3,111,097</b>

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**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING BALANCE SHEETS**  
**NONMAJOR CAPITAL PROJECT FUNDS - Continued**  
**DECEMBER 31, 2022**

ASSETS	TIF 18	TIF 19	TIF 20	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	\$ -	\$ -	\$ 22,578	\$ 2,779,897	\$ 9,460,364	\$ 39,020	\$ 4,625	\$ 2,390,092	\$ 11,215,454	\$ 48,764,448
Receivable										
Taxes	-	-	-	-	-	-	-	-	-	10,545,271
Accounts and other	-	-	-	9,063	-	-	-	-	-	111,926
Loan	-	-	-	-	-	-	-	-	-	655,941
Due from other funds	-	-	6,414	-	-	-	-	-	-	6,414
Due from other governments	-	-	-	167,577	-	-	-	-	-	167,577
Leases receivable	-	-	-	-	-	-	-	-	-	422,920
<b>TOTAL ASSETS</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,992</b>	<b>\$ 2,956,537</b>	<b>\$ 9,460,364</b>	<b>\$ 39,020</b>	<b>\$ 4,625</b>	<b>\$ 2,390,092</b>	<b>\$ 11,215,454</b>	<b>\$ 60,674,497</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES</b>										
<b>LIABILITIES</b>										
Accounts payable	\$ 12,035	\$ -	\$ -	\$ 890,584	\$ 746,809	\$ -	\$ 1,000	\$ 200,052	\$ 886,805	\$ 2,833,156
Accrued expenses										
Due to other funds	2,719	329	-	-	-	-	-	-	-	794,794
Due to other governments	-	-	-	75,870	-	-	-	-	-	75,870
Unearned revenue - other	-	-	-	-	21,924	-	-	-	-	745,023
Advances from other funds	-	-	-	-	-	-	-	-	-	2,416,479
<b>TOTAL LIABILITIES</b>	<b>14,754</b>	<b>329</b>	<b>-</b>	<b>966,454</b>	<b>768,733</b>	<b>-</b>	<b>1,000</b>	<b>200,052</b>	<b>886,805</b>	<b>6,865,322</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>										
Unavailable revenue - tax roll	-	-	6,414	-	-	-	-	-	-	10,551,685
Unavailable revenue - special assessments	-	-	-	-	-	-	-	-	-	422,921
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>-</b>	<b>-</b>	<b>6,414</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,974,606</b>
<b>FUND BALANCES</b>										
Restricted	-	-	22,578	1,990,083	8,691,631	39,020	3,625	2,190,040	10,328,649	43,115,809
Unassigned	(14,754)	(329)	-	-	-	-	-	-	-	(281,240)
<b>TOTAL FUND BALANCES</b>	<b>(14,754)</b>	<b>(329)</b>	<b>22,578</b>	<b>1,990,083</b>	<b>8,691,631</b>	<b>39,020</b>	<b>3,625</b>	<b>2,190,040</b>	<b>10,328,649</b>	<b>42,834,569</b>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 28,992</b>	<b>\$ 2,956,537</b>	<b>\$ 9,460,364</b>	<b>\$ 39,020</b>	<b>\$ 4,625</b>	<b>\$ 2,390,092</b>	<b>\$ 11,215,454</b>	<b>\$ 60,674,497</b>

**CITY OF LA CROSSE, WISCONSIN**  
**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR CAPITAL PROJECT FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	CAPITAL PROJECTS	TIF 10	TIF 11	TIF 12	TIF 13	TIF 14	TIF 15	TIF 16	TIF 17
<b>REVENUE</b>									
Taxes	\$ -	\$ 301,342	\$ 4,718,465	\$ 602,955	\$ 3,716,862	\$ 1,987,917	\$ 920,533	\$ 340,314	\$ 2,111,561
Intergovernmental	-	4,956	495,845	9,488	208,099	733,821	77,240	2,102	17,393
Public charges for services	-	-	-	-	-	2,215	33,226	-	-
Miscellaneous	-	1,742	96,662	3,243	117,841	66,307	10,241	7,834	99,961
<b>TOTAL REVENUE</b>	<u>-</u>	<u>308,040</u>	<u>5,310,972</u>	<u>615,686</u>	<u>4,042,802</u>	<u>2,790,260</u>	<u>1,041,240</u>	<u>350,250</u>	<u>2,228,915</u>
<b>EXPENDITURES</b>									
Current									
General government	3,017	-	-	-	-	-	-	-	45,807
Public works	-	-	-	-	-	-	-	-	-
Conservation and development	-	25,030	62,907	25,030	26,181	25,030	25,135	25,030	26,533
Debt service									
Principal	-	-	-	50,987	-	-	-	339,596	114,048
Interest	-	3,207	31,700	23,419	100,398	-	-	-	11,839
Capital outlay	-	118,978	2,795,457	28,060	1,165,845	3,141,534	339,568	511,022	241,974
<b>TOTAL EXPENDITURES</b>	<u>3,017</u>	<u>147,215</u>	<u>2,890,064</u>	<u>127,496</u>	<u>1,292,424</u>	<u>3,166,564</u>	<u>364,703</u>	<u>875,648</u>	<u>440,201</u>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<u>(3,017)</u>	<u>160,825</u>	<u>2,420,908</u>	<u>488,190</u>	<u>2,750,378</u>	<u>(376,304)</u>	<u>676,537</u>	<u>(525,398)</u>	<u>1,788,714</u>
<b>OTHER FINANCING SOURCES (USES)</b>									
Operating transfers in	-	-	295	-	-	-	-	-	-
Operating transfers (out)	(20,298)	(2,901)	(1,912,062)	(485,000)	(1,184,185)	(212,690)	-	-	(1,079,431)
Sale of capital assets	-	-	-	-	-	19,279	30,409	-	-
Issuance of long-term debt	-	-	-	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING (USES) SOURCES</b>	<u>(20,298)</u>	<u>(2,901)</u>	<u>(1,911,767)</u>	<u>(485,000)</u>	<u>(1,184,185)</u>	<u>(193,411)</u>	<u>30,409</u>	<u>-</u>	<u>(1,079,431)</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES (UNDER) OVER EXPENDITURES AND OTHER USES</b>	<u>(23,315)</u>	<u>157,924</u>	<u>509,141</u>	<u>3,190</u>	<u>1,566,193</u>	<u>(569,715)</u>	<u>706,946</u>	<u>(525,398)</u>	<u>709,283</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>2,014,215</u>	<u>(246,808)</u>	<u>1,706,980</u>	<u>(180,463)</u>	<u>7,993,334</u>	<u>4,269,167</u>	<u>(102,804)</u>	<u>699,752</u>	<u>896,404</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,990,900</u>	<u>\$ (88,884)</u>	<u>\$ 2,216,121</u>	<u>\$ (177,273)</u>	<u>\$ 9,559,527</u>	<u>\$ 3,699,452</u>	<u>\$ 604,142</u>	<u>\$ 174,354</u>	<u>\$ 1,605,687</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, 2022**

	TIF 18	TIF 19	TIF 20	CAPITAL EQUIPMENT	BUILDINGS AND LAND CAPITAL PROJECTS	FLOODPLAIN CONTROL	HOUSING	PARKS AND RECREATION	ROADWAY AND INFRA- STRUCTURE	TOTAL NONMAJOR CAPITAL PROJECT FUNDS
<b>REVENUE</b>										
Taxes	\$ 14,415	\$ -	\$ 22,581	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,736,945
Intergovernmental	-	-	-	1,858,892	295	-	-	-	2,249,997	5,658,128
Public charges for services	-	-	-	-	-	-	-	-	-	35,441
Miscellaneous	1,319	-	326	31,993	126,696	587	75	148,493	136,112	849,432
<b>TOTAL REVENUE</b>	<u>15,734</u>	<u>-</u>	<u>22,907</u>	<u>1,890,885</u>	<u>126,991</u>	<u>587</u>	<u>75</u>	<u>148,493</u>	<u>2,386,109</u>	<u>21,279,946</u>
<b>EXPENDITURES</b>										
Current										
General government	-	-	-	-	-	-	3,500	-	27,595	79,919
Public works	-	-	-	-	-	-	-	-	51,547	51,547
Conservation and development	469	470	470	-	-	-	-	-	-	242,285
Debt service										
Principal	-	-	-	323,646	-	-	-	-	-	828,277
Interest	-	-	-	-	-	-	-	-	-	170,563
Capital outlay	1,571,658	-	-	7,331,334	9,427,688	-	-	1,242,272	3,554,243	31,469,633
<b>TOTAL EXPENDITURES</b>	<u>1,572,127</u>	<u>470</u>	<u>470</u>	<u>7,654,980</u>	<u>9,427,688</u>	<u>-</u>	<u>3,500</u>	<u>1,242,272</u>	<u>3,633,385</u>	<u>32,842,224</u>
<b>EXCESS OF REVENUE (UNDER) OVER EXPENDITURES</b>	<u>(1,556,393)</u>	<u>(470)</u>	<u>22,437</u>	<u>(5,764,095)</u>	<u>(9,300,697)</u>	<u>587</u>	<u>(3,425)</u>	<u>(1,093,779)</u>	<u>(1,247,276)</u>	<u>(11,562,278)</u>
<b>OTHER FINANCING SOURCES (USES)</b>										
Operating transfers in	1,146,875	-	-	541,279	111,970	-	-	-	200,000	2,000,419
Operating transfers (out)	-	-	-	(20,000)	(495,000)	-	-	(4,490)	(22,000)	(5,438,057)
Sale of capital assets	-	-	-	798,018	-	-	-	-	-	847,706
Issuance of long-term debt	-	-	-	4,706,525	6,470,200	-	50,000	2,253,000	3,067,600	16,547,325
<b>TOTAL OTHER FINANCING SOURCES</b>	<u>1,146,875</u>	<u>-</u>	<u>-</u>	<u>6,025,822</u>	<u>6,087,170</u>	<u>-</u>	<u>50,000</u>	<u>2,248,510</u>	<u>3,245,600</u>	<u>13,957,393</u>
<b>EXCESS OF REVENUE AND OTHER SOURCES (UNDER) OVER EXPENDITURES AND OTHER USES</b>	<u>(409,518)</u>	<u>(470)</u>	<u>22,437</u>	<u>261,727</u>	<u>(3,213,527)</u>	<u>587</u>	<u>46,575</u>	<u>1,154,731</u>	<u>1,998,324</u>	<u>2,395,115</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	<u>394,764</u>	<u>141</u>	<u>141</u>	<u>1,728,356</u>	<u>11,905,158</u>	<u>38,433</u>	<u>(42,950)</u>	<u>1,035,309</u>	<u>8,330,325</u>	<u>40,439,454</u>
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ (14,754)</u>	<u>\$ (329)</u>	<u>\$ 22,578</u>	<u>\$ 1,990,083</u>	<u>\$ 8,691,631</u>	<u>\$ 39,020</u>	<u>\$ 3,625</u>	<u>\$ 2,190,040</u>	<u>\$ 10,328,649</u>	<u>\$ 42,834,569</u>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF NET POSITION - INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2022**

<u>ASSETS</u>	<u>STOCK ROOM</u>	<u>SELF INSURED HEALTH</u>	<u>S125 FLEX SPENDING</u>	<u>LIABILITY CLAIMS</u>	<u>WORKER'S COMPENSATION</u>	<u>FUEL MANAGEMENT</u>	<u>PAYROLL LIABILITIES</u>	<u>TOTALS</u>
<b>CURRENT ASSETS</b>								
Cash and investments	\$ 28,433	\$ 17,656,962	\$ 609,105	\$ 137,603	\$ 2,315,184	\$ 766,011	\$ 403,120	\$ 21,916,418
Accounts receivable								
Customer	-	29,452	9,731	-	-	-	329,739	368,922
Inventories	93,858	-	-	-	-	-	-	93,858
Prepays	-	106	-	-	-	-	12,134	12,240
<b>RESTRICTED ASSETS</b>								
Cash	-	-	-	-	17,634	-	-	17,634
<b>TOTAL ASSETS</b>	<b><u>\$ 122,291</u></b>	<b><u>\$ 17,686,520</u></b>	<b><u>\$ 618,836</u></b>	<b><u>\$ 137,603</u></b>	<b><u>\$ 2,332,818</u></b>	<b><u>\$ 766,011</u></b>	<b><u>\$ 744,993</u></b>	<b><u>\$ 22,409,072</u></b>
<b><u>LIABILITIES AND NET POSITION</u></b>								
<b>LIABILITIES</b>								
<b>CURRENT LIABILITIES</b>								
Accounts payable	\$ 357	\$ 4,784,746	\$ -	\$ 398,643	\$ 1,065,358	\$ -	\$ 417,891	\$ 6,666,995
Other	-	-	-	-	-	-	327,102	327,102
Unearned revenue - other	-	53,087	-	-	-	-	-	53,087
<b>TOTAL LIABILITIES</b>	<b><u>357</u></b>	<b><u>4,837,833</u></b>	<b><u>-</u></b>	<b><u>398,643</u></b>	<b><u>1,065,358</u></b>	<b><u>-</u></b>	<b><u>744,993</u></b>	<b><u>7,047,184</u></b>
<b>NET POSITION</b>								
Restricted for other	-	-	-	-	17,634	-	-	17,634
Unrestricted	121,934	12,848,687	618,836	(261,040)	1,249,826	766,011	-	15,344,254
<b>TOTAL NET POSITION</b>	<b><u>121,934</u></b>	<b><u>12,848,687</u></b>	<b><u>618,836</u></b>	<b><u>(261,040)</u></b>	<b><u>1,267,460</u></b>	<b><u>766,011</u></b>	<b><u>-</u></b>	<b><u>15,361,888</u></b>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<b><u>\$ 122,291</u></b>	<b><u>\$ 17,686,520</u></b>	<b><u>\$ 618,836</u></b>	<b><u>\$ 137,603</u></b>	<b><u>\$ 2,332,818</u></b>	<b><u>\$ 766,011</u></b>	<b><u>\$ 744,993</u></b>	<b><u>\$ 22,409,072</u></b>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	TOTALS
<b>OPERATING REVENUE</b>							
Interdepartmental sales	\$ -	\$ 11,019,765	\$ 383,065	\$ 132,010	\$ 454,754	\$ 3,546	\$ 11,993,140
Other revenue	164	493,541	24,758	108,386	-	-	626,849
<b>TOTAL OPERATING REVENUE</b>	<u>164</u>	<u>11,513,306</u>	<u>407,823</u>	<u>240,396</u>	<u>454,754</u>	<u>3,546</u>	<u>12,619,989</u>
<b>OPERATING EXPENSES</b>							
Plant and maintenance expenses:							
Salaries and wages	-	167,260	428,167	-	291,706	-	887,133
Supplies and expenses	-	3,320	-	-	-	-	3,320
<b>TOTAL PLANT AND MAINTENANCE EXPENSES</b>	<u>-</u>	<u>170,580</u>	<u>428,167</u>	<u>-</u>	<u>291,706</u>	<u>-</u>	<u>890,453</u>
<b>GENERAL EXPENSES</b>							
Office supplies and other expenses	20,226	3,862	-	-	-	-	24,088
Outside services employed	-	47,777	-	-	-	3,137	50,914
Insurance expense	-	1,507,940	-	278,309	255,657	-	2,041,906
Employee benefits	-	12,395,411	-	-	-	-	12,395,411
<b>TOTAL GENERAL EXPENSES</b>	<u>20,226</u>	<u>13,954,990</u>	<u>-</u>	<u>278,309</u>	<u>255,657</u>	<u>3,137</u>	<u>14,512,319</u>
<b>TOTAL OPERATING EXPENSES</b>	<u>20,226</u>	<u>14,125,570</u>	<u>428,167</u>	<u>278,309</u>	<u>547,363</u>	<u>3,137</u>	<u>15,402,772</u>
<b>OPERATING (LOSS) INCOME</b>	(20,062)	(2,612,264)	(20,344)	(37,913)	(92,609)	409	(2,782,783)
<b>NONOPERATING REVENUE</b>							
Interest income	-	217,001	7,419	-	-	9,788	234,208
Miscellaneous revenue	-	1,579	-	-	-	-	1,579
<b>TOTAL NONOPERATING REVENUE</b>	<u>-</u>	<u>218,580</u>	<u>7,419</u>	<u>-</u>	<u>-</u>	<u>9,788</u>	<u>235,787</u>
<b>CHANGE IN NET POSITION</b>	(20,062)	(2,393,684)	(12,925)	(37,913)	(92,609)	10,197	(2,546,996)
<b>NET POSITION - BEGINNING OF YEAR</b>	141,996	15,242,371	631,761	(223,127)	1,360,069	755,814	17,908,884
<b>NET POSITION - END OF YEAR</b>	<u>\$ 121,934</u>	<u>\$ 12,848,687</u>	<u>\$ 618,836</u>	<u>\$ (261,040)</u>	<u>\$ 1,267,460</u>	<u>\$ 766,011</u>	<u>\$ 15,361,888</u>

**CITY OF LA CROSSE, WISCONSIN**  
**STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	STOCK ROOM	SELF INSURED HEALTH	S125 FLEX SPENDING	LIABILITY CLAIMS	WORKER'S COMPENSATION	FUEL MANAGEMENT	PAYROLL LIABILITIES	TOTALS
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>								
Receipts from customers	\$ 164	\$ 500,724	\$ 22,243	\$ 108,386	\$ -	\$ -	\$ -	\$ 631,517
Receipts from municipality	8,347	11,019,765	383,065	132,010	454,754	3,546	152,098	12,153,585
Payments to suppliers for goods and services	-	(1,786,499)	-	(328,176)	(42,121)	(3,137)	-	(2,159,933)
Payments for employees wages and benefits	-	(12,562,671)	(428,167)	-	(291,706)	-	-	(13,282,544)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>8,511</b>	<b>(2,828,681)</b>	<b>(22,859)</b>	<b>(87,780)</b>	<b>120,927</b>	<b>409</b>	<b>152,098</b>	<b>(2,657,375)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>								
Interest received	-	217,001	7,419	-	-	9,788	-	234,208
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	<b>8,511</b>	<b>(2,611,680)</b>	<b>(15,440)</b>	<b>(87,780)</b>	<b>120,927</b>	<b>10,197</b>	<b>152,098</b>	<b>(2,423,167)</b>
<b>CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR</b>	<b>19,922</b>	<b>20,268,642</b>	<b>624,545</b>	<b>225,383</b>	<b>2,211,891</b>	<b>755,814</b>	<b>251,022</b>	<b>24,357,219</b>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 28,433</b>	<b>\$ 17,656,962</b>	<b>\$ 609,105</b>	<b>\$ 137,603</b>	<b>\$ 2,332,818</b>	<b>\$ 766,011</b>	<b>\$ 403,120</b>	<b>\$ 21,934,052</b>
<b>RECONCILIATION OF OPERATING (LOSS) INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>								
Operating (loss) income	\$ (20,062)	\$ (2,612,264)	\$ (20,344)	\$ (37,913)	\$ (92,609)	\$ 409	\$ -	\$ (2,782,783)
Changes in assets and liabilities								
Decrease (increase) in receivables - customers	-	7,183	(2,515)	-	-	-	(48,731)	(44,063)
Decrease in inventories	28,216	-	-	-	-	-	-	28,216
(Increase) decrease in prepaid expenses	-	(83)	-	-	-	-	841	758
Increase (decrease) in accounts payable	357	(223,517)	-	(49,867)	213,536	-	160,746	101,255
Increase in other accrued expenses	-	-	-	-	-	-	39,242	39,242
Total adjustments	28,573	(216,417)	(2,515)	(49,867)	213,536	-	152,098	125,408
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ 8,511</b>	<b>\$ (2,828,681)</b>	<b>\$ (22,859)</b>	<b>\$ (87,780)</b>	<b>\$ 120,927</b>	<b>\$ 409</b>	<b>\$ 152,098</b>	<b>\$ (2,657,375)</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>								
Cash and investments	\$ 28,433	\$ 17,656,962	\$ 609,105	\$ 137,603	\$ 2,315,184	\$ 766,011	\$ 403,120	\$ 21,916,418
Restricted cash	-	-	-	-	17,634	-	-	17,634
<b>TOTAL CASH AND CASH EQUIVALENTS</b>	<b>\$ 28,433</b>	<b>\$ 17,656,962</b>	<b>\$ 609,105</b>	<b>\$ 137,603</b>	<b>\$ 2,332,818</b>	<b>\$ 766,011</b>	<b>\$ 403,120</b>	<b>\$ 21,934,052</b>

**CITY OF LA CROSSE, WISCONSIN**

**OTHER REPORT**



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

To the Common Council  
City of La Crosse, Wisconsin

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of La Crosse (the "City") as of and for the year ended December 31, 2022, 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 12, 2023.

**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.



## 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 12, 2023

## OFFICIAL TERMS OF OFFERING

\$6,005,000\*

CITY OF LA CROSSE, WISCONSIN  
SEWER SYSTEM REVENUE BONDS, SERIES 2024-A

## (BOOK ENTRY ONLY)

Bids for the above-referenced obligations (the "Bonds") will be received by the City of La Crosse, Wisconsin (the "City") on Thursday, April 11, 2024 (the "Sale Date") until 10:00 A.M., Central Time (the "Sale Time") at the offices of Baker Tilly Municipal Advisors, LLC ("Baker Tilly MA"), 30 East 7<sup>th</sup> Street, Suite 3025, Saint Paul, MN 55101, after which time bids will be opened and tabulated. Consideration for award of the Bonds will be by the Common Council at its meeting commencing at 6:00 P.M., Central Time, of the same day.

All capitalized terms used herein and not defined shall have the meanings ascribed to such terms in the preliminary official statement for the Bonds, dated the date hereof.

## SUBMISSION OF BIDS

Baker Tilly MA will assume no liability for the inability of a bidder or its bid to reach Baker Tilly MA prior to the Sale Time, and neither the City nor Baker Tilly MA shall be responsible for any future, misdirection or error in the means of transmission selected by any bidder. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the City to purchase the Bonds regardless of the manner by which the bid is submitted.

(a) **Sealed bidding.** Completed, signed bids may be submitted to Baker Tilly MA by email to [bids@bakertilly.com](mailto:bids@bakertilly.com) and must be received prior to the Sale Time.

**OR**

(b) **Electronic bidding.** Bids may also be received via PARITY<sup>®</sup>. For purposes of the electronic bidding process, the time as maintained by PARITY<sup>®</sup> shall constitute the official time with respect to all bids submitted to PARITY<sup>®</sup>. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY<sup>®</sup> for purposes of submitting its electronic bid in a timely manner and in compliance with the requirements of the Official Terms of Offering.* Neither the City, its agents nor PARITY<sup>®</sup> shall have any duty or obligation to undertake registration to bid for any prospective bidder or to provide or ensure electronic access to any qualified prospective bidder, and neither the City, its agents nor PARITY<sup>®</sup> shall be responsible for a bidder's failure to register to bid or for any failure in the proper operation of, or have any liability for any delays or interruptions of or any damages caused by the services of PARITY<sup>®</sup>. The City is using the services of PARITY<sup>®</sup> solely as a communication mechanism to conduct the electronic bidding for the Bonds, and PARITY<sup>®</sup> is not an agent of the City.

If any provisions of this Official Terms of Offering conflict with information provided by PARITY<sup>®</sup>, this Official Terms of Offering shall control. Further information about PARITY<sup>®</sup>, including any fee charged, may be obtained from:

PARITY<sup>®</sup>, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018  
Customer Support: (212) 849-5000

\*Preliminary; subject to change.

Baker Tilly Municipal Advisors, LLC is a registered municipal advisor and controlled subsidiary of Baker Tilly US, LLP, an accounting firm. Baker Tilly US, LLP trading as Baker Tilly is a member of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. © 2022 Baker Tilly Municipal Advisors, LLC.

## DETAILS OF THE BONDS

The Bonds will be dated as of the date of delivery and will bear interest payable on May 1 and November 1 of each year, commencing November 1, 2024. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Bonds will mature May 1 in the years and amounts\* as follows:

2025	\$195,000	2029	\$240,000	2033	\$295,000	2037	\$355,000	2041	\$420,000
2026	\$205,000	2030	\$255,000	2034	\$310,000	2038	\$370,000	2042	\$435,000
2027	\$220,000	2031	\$265,000	2035	\$325,000	2039	\$385,000	2043	\$455,000
2028	\$230,000	2032	\$280,000	2036	\$340,000	2040	\$400,000	2044	\$470,000

\*The City reserves the right, after bids are opened and prior to award, to increase or reduce the principal amount of the Bonds or the amount of any maturity or maturities in multiples of \$5,000. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Bonds as that of the original bid. Gross spread for this purpose is the differential between the price paid to the City for the new issue and the prices at which the bid indicates the securities are initially offered to the investing public.

## BOOK ENTRY SYSTEM

The Bonds will be issued by means of a book entry system with no physical distribution of Bonds made to the public. The Bonds will be issued in fully registered form and one Bond, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The lowest bidder (the "Purchaser"), as a condition of delivery of the Bonds, will be required to deposit the Bonds with DTC.

## FISCAL AGENT/REGISTRAR

U.S. Bank National Association, Saint Paul, Minnesota will serve as fiscal agent/registrar (the "Fiscal Agent/Registrar") for the Bonds, and the City will pay for the services of the Fiscal Agent/Registrar.

## OPTIONAL REDEMPTION

The City may elect on May 1, 2034, and on any day thereafter, to redeem Bonds due on or after May 1, 2035. Redemption may be in whole or in part and if in part at the option of the City and in such manner as the City shall determine. If less than all Bonds of a maturity are called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All redemptions shall be at a price of par plus accrued interest.

## SECURITY AND PURPOSE

The Bonds will be special obligations of the City payable solely from Net Revenues of the System and shall not constitute a debt for which the full faith and credit or taxing powers of the City will be pledged. The proceeds of the Bonds will be used to (i) finance various improvements to the System, (ii) fund a debt service reserve fund, and (iii) pay the costs of issuance associated with the Bonds.

## NOT BANK QUALIFIED TAX-EXEMPT OBLIGATIONS

The City will not designate the Bonds as qualified tax-exempt obligations for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

### BIDDING PARAMETERS

Bids shall be for not less than \$6,005,000 (Par) plus accrued interest, if any, on the total principal amount of the Bonds. Rates shall be in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public for each maturity as stated on the bid must be 98.0% or greater.

Bids for the Bonds may contain a maturity schedule providing for a combination of serial bonds and term bonds. All term bonds shall be subject to mandatory sinking fund redemption at a price of par plus accrued interest to the date of redemption scheduled to conform to the maturity schedule set forth herein. In order to designate term bonds, the bid must specify "Years of Term Maturities" in the spaces provided on the bid form.

No bid can be withdrawn or amended after the time set for receiving bids on the Sale Date unless the meeting of the City scheduled for award of the Bonds is adjourned, recessed, or continued to another date without award of the Bonds having been made. Bonds of the same maturity shall bear a single rate from the date of the Bonds to the date of maturity. No conditional bids will be accepted.

### ESTABLISHMENT OF ISSUE PRICE

The Purchaser shall assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix H, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the City and Bond Counsel. All actions to be taken by the City under this Official Terms of Offering to establish the issue price of the Bonds may be taken on behalf of the City by Baker Tilly MA and any notice or report to be provided to the City may be provided to Baker Tilly MA.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the "*competitive sale requirements*") because:

- (1) the City shall disseminate this Official Terms of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest true interest cost, as set forth in this Official Terms of Offering (See "AWARD" herein).

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Bonds, as specified in the bid form.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the Purchaser of that fact at the time of the award of the sale of the Bonds to the Purchaser. Subject to the Purchaser electing the hold-the-offering price rule described below, the City shall treat the first price at which 10% of a maturity of the Bonds (the "10% test") is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Purchaser shall advise the City if any maturity of the Bonds satisfies the

10% test as of the date and time of the award of the Bonds. The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity, unless the Purchaser elects to comply with the hold-the-offering-price rule. Bids will *not* be subject to cancellation in the event that the competitive sale requirements are not satisfied. *Bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to 10% test in order to establish the issue price of the Bonds, unless the Purchaser elects to comply with the hold-the-offering-price rule in order to establish the issue price of the Bonds.*

Until the 10% test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the City the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall only extend to the closing date if the competitive sale requirements are satisfied. If the competitive sale requirements are not satisfied or the Purchaser has not elected to apply the hold-the-offering-price rule, that reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all of the Bonds of that maturity have been sold to the Public. In the event the Purchaser elects to apply the hold-the-offering-price rule to a maturity or maturities of the Bonds, the reporting obligation described immediately above shall only continue to the closing date with respect to such maturities or maturity.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth business day following the date of award, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the Purchaser or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Purchaser or such underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth business day following the date of the award.

The City is not requiring the application of the hold-the-offering-price rule (defined in the following paragraph) to the Bonds. The Purchaser may elect in its final bid form on the sale date to apply the hold-the-offering price rule to any or all maturities of the Bonds.

The City may determine to treat (i) the first price at which 10% of a maturity of the Bonds is sold to the public as the issue price of that maturity and/or (ii) if the Purchaser elects to apply the hold-the-offering-price rule, as described herein, the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The Purchaser may, in its discretion, agree to apply the hold-the-price rule. The City is not requiring the Bonds to be subject to the hold-the-offering-price rule. If the Purchaser so elects to apply the hold-the-offering-price rule to any maturity of the Bonds, such election shall be made on the sale date in the report of the final interest rates and prices of the Bonds agreed to between the Purchaser and the City. The Purchaser shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “*initial offering price*”) or the corresponding yield or yields set forth in the bid submitted by the Purchaser, and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold

Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Purchaser shall promptly advise the City when the underwriters have sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date. The Purchaser will inform the City of the initial offering price for each maturity of the Bonds.

The City acknowledges that, in making the representation set forth above, the Purchaser will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

es of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

- (i) “public” means any person other than an underwriter or a related party,
- (ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) “sale date” means the date that the Bonds are awarded by the City to the Purchaser.

#### GOOD FAITH DEPOSIT

To have its bid considered for award, the Purchaser is required to submit a good faith deposit via wire transfer to the City in the amount of \$60,050 (the “Deposit”) no later than 1:00 P.M., Central Time on the Sale Date. The Purchaser shall be solely responsible for the timely delivery of its Deposit, and neither the

City nor Baker Tilly MA have any liability for delays in the receipt of the Deposit. If the Deposit is not received by the specified time, the City may, at its sole discretion, reject the bid of the lowest bidder, direct the second lowest bidder to submit a Deposit, and thereafter award the sale to such bidder.

A Deposit will be considered timely delivered to the City upon submission of a federal wire reference number by the specified time. Wire transfer instructions will be available from Baker Tilly MA following the receipt and tabulation of bids. The successful bidder must send an e-mail including the following information: (i) the federal reference number and time released; (ii) the amount of the wire transfer; and (iii) the issue to which it applies.

Once an award has been made, the Deposit received from the Purchaser will be retained by the City and no interest will accrue to the Purchaser. The amount of the Deposit will be deducted at settlement from the purchase price. In the event the Purchaser fails to comply with the accepted bid, said amount will be retained by the City.

#### AWARD

The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (TIC) basis calculated on the bid prior to any adjustment made by the City. The City's computation of the interest rate of each bid, in accordance with customary practice, will be controlling.

The City will reserve the right to: (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid that the City determines to have failed to comply with the terms herein.

#### BOND INSURANCE AT PURCHASER'S OPTION

The City has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Bonds. If the Bonds qualify for municipal bond insurance and a bidder desires to purchase a policy, such indication, the maturities to be insured, and the name of the desired insurer must be set forth on the bidder's official bid form. The City specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the City. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the City) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Bonds shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Bonds.

#### CUSIP NUMBERS

If the Bonds qualify for the assignment of CUSIP numbers such numbers will be printed on the Bonds; however, neither the failure to print such numbers on any Bond nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds. Baker Tilly MA will apply for CUSIP numbers pursuant to Rule G-34 implemented by the Municipal Securities Rulemaking Board. The CUSIP Service Bureau charge for the assignment of CUSIP identification numbers shall be paid by the Purchaser.

#### SETTLEMENT

On or about May 9, 2024, the Bonds will be delivered without cost to the Purchaser through DTC in New York, New York. Delivery will be subject to receipt by the Purchaser of an approving legal opinion of Chapman and Cutler LLP of Chicago, Illinois, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Bonds shall be made in federal, or equivalent, funds that shall be received at the offices of the City or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Bonds has been made impossible by action of the City, or its agents, the Purchaser shall be liable to the City for any loss suffered by the City by reason of the Purchaser's non-compliance with said terms for payment.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the City in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does hereby consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the City in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

#### CONTINUING DISCLOSURE

The City covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the Bondholders on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

#### OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds, and said Preliminary Official Statement has been deemed final by the City as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For an electronic copy of the Preliminary Official Statement and the official bid form or for any additional information prior to sale, any prospective purchaser is referred to the Municipal Advisor to the City, Baker Tilly Municipal Advisors, LLC, by telephone (651) 223-3000 or by email [bids@bakertilly.com](mailto:bids@bakertilly.com).

A Final Official Statement (as that term is defined in Rule 15c2-12) will be prepared, specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law. By awarding the Bonds to the Purchaser, the City agrees that, no more than seven business days after the date of such award, it shall provide to the Purchaser an electronic copy of the Final Official Statement. The City designates the Purchaser as its agent for purposes of distributing the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its bid is accepted by the City, (i) it shall accept designation and (ii) it shall enter into a contractual relationship with its syndicate members for purposes of assuring the receipt of the Final Official Statement by each such syndicate member.

Dated March 14, 2024

BY ORDER OF THE COMMON COUNCIL

/s/ Nikki Elsen  
City Clerk



**City of La Crosse, Wisconsin  
\$6,005,000\* Sewer System Revenue Bonds, Series 2024-A**

For the Bonds of this Issue which shall mature and bear interest at the respective annual rates, as follow, we offer a price of \$\_\_\_\_\_ (which may not be less than \$6,005,000 (Par) plus accrued interest, if any, to the date of delivery).

Year	Interest Rate (%)	Yield (%)	Dollar Price	Year	Interest Rate (%)	Yield (%)	Dollar Price
2025	_____%	_____%	_____%	2035	_____%	_____%	_____%
2026	_____%	_____%	_____%	2036	_____%	_____%	_____%
2027	_____%	_____%	_____%	2037	_____%	_____%	_____%
2028	_____%	_____%	_____%	2038	_____%	_____%	_____%
2029	_____%	_____%	_____%	2039	_____%	_____%	_____%
2030	_____%	_____%	_____%	2040	_____%	_____%	_____%
2031	_____%	_____%	_____%	2041	_____%	_____%	_____%
2032	_____%	_____%	_____%	2042	_____%	_____%	_____%
2033	_____%	_____%	_____%	2043	_____%	_____%	_____%
2034	_____%	_____%	_____%	2044	_____%	_____%	_____%

**Designation of Term Maturities**

Years of Term Maturities \_\_\_\_\_  
\_\_\_\_\_

In making this offer on the sale date of April 11, 2024, we accept all of the terms and conditions of the Official Terms of Offering published in the Preliminary Official Statement dated April 2, 2024 including the City's right to modify the principal amount of the Bonds. (See "Official Terms of Offering" herein.) In the event of failure to deliver these Bonds in accordance with said Official Terms of Offering, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

By submitting this bid, we confirm that we have an established industry reputation for underwriting municipal bonds such as the Bonds.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$\_\_\_\_\_

TRUE INTEREST RATE: \_\_\_\_\_ %

The Bidder  will not  will purchase municipal bond insurance from \_\_\_\_\_.

In the event the competitive sale requirements are not met, the Purchaser choses to apply the following rule:  hold-the-offering price  10% rule.

Account Members

\_\_\_\_\_  
Account Manager  
By: \_\_\_\_\_  
Phone: \_\_\_\_\_

.....  
The foregoing bid has been accepted by the City.

Attest: \_\_\_\_\_

Date: \_\_\_\_\_

Phone: 651-223-3000

\*Preliminary; subject to change.

Email: [bids@bakertilly.com](mailto:bids@bakertilly.com)

## FORM OF ISSUE PRICE CERTIFICATE

## CERTIFICATE OF PURCHASER

The undersigned, on behalf of \_\_\_\_\_ (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the Sewer System Revenue Bonds, Series 2024-A (the “Bonds”), of the City of La Crosse, La Crosse County, Wisconsin (the “City”).

**I. General**

On the Sale Date the Purchaser purchased the Bonds from the City by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the City. The Purchaser has not modified the terms of the purchase since the Sale Date.

**II. Price****[Competitive Sale Rules (3 bids received)]**

[1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering price of each Maturity of the Bonds to the Public by the Purchaser is the price listed in *Exhibit A* (the “*Expected Offering Prices*”). The Expected Offering Price is the price for such Maturity of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.]

**[10% Test – All Bonds Sold]**

[1. As of the date of this certificate, the first price at which at least 10% of each Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit C*.]

**[10% Test – Not All Bonds Sold]**

[1. As of the date of this certificate, the Purchaser has not sold at least 10% of each Maturity of the Bonds at any price.

2. As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of each Maturity of the Bonds equal to 10% or more will be at or below the Expected Sale Price for such Maturity listed on the attached *Exhibit A* (the “*Expected First Sale Price*”).

3. The Purchaser agrees to comply with the price reporting requirements with respect to the Bonds as set forth in the Official Notice of Bond Sale for the Bonds under the caption “ESTABLISHMENT OF ISSUE PRICE.”]

### **[All maturities use Hold the Offer Price]**

[1. The Purchaser offered each Maturity of the Bonds to the Public for purchase at the initial offering price listed in *Exhibit A* (the “Initial Offering Price”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

2. As set forth in the Official Notice of Bond Sale and bid award, the Purchaser has agreed in writing that, (i) it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price during the Holding Period for such Maturity (the “*Hold-The-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-The-Offering-Price Rule.

3. No Underwriter (as defined below) has offered or sold any Bonds of any Maturity at a price that is higher than the respective Initial Offering Price during the Holding Period.]

### **[Some Maturities Use Hold the Offer Price]**

1. As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A*.

2. A. The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

B. As set forth in the Notice of Sale and bid award, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement would contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the Hold-the-Offering-Price Rule.

C. No Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.]

### III. Definitions

[1. *General Rule Maturities* means those Maturities of the Bonds not listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. *Hold-the-Offering-Price Maturities* means those Maturities of the Bonds listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (\_\_\_\_\_, 2024), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is \_\_\_\_\_, 2024.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the City (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, including, specifically, the Purchaser, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

**IV. Debt Service Reserve Fund**

The Debt Service Reserve Fund created or maintained in connection with the Bonds is of the size and type that is customarily required in financings of the size and nature of the Bonds. Such a requirement provides the holders of the Bonds some measure of protection and work out time should the City encounter financial difficulties. The failure to provide for this fund at its current size would materially adversely affect the interest rates or Yields at which the Bonds could be sold.

**[V. Bond Insurance Provisions, if required.**

The present value of the fees paid and to be paid for the Credit Facility (using as a discount rate the expected Yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Credit Facility. The fees paid and to be paid for the Credit Facility does not exceed a reasonable, arm’s-length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.]

**VI. Use of Representations and Certifications.**

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the City with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the City from time to time relating to the Bonds.

All terms not defined herein shall have the same meanings as in the Tax Exemption Certificate and Agreement with respect to the Bonds, to which this Certificate is attached.

Dated: \_\_\_\_\_, 2024

Very truly yours,

\_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

## EXHIBIT A

### GENERAL RULE, ALL MATURITIES SOLD

<u>YEAR</u> <u>(MARCH</u> <u>1)</u>	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>FIRST SALE PRICE</u> <u>OF AT LEAST 10%</u> <u>(% OF PAR)</u>	<u>OFFER</u> <u>PRICE</u> <u>(% OF</u> <u>PAR)</u>
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Total      \_\_\_\_\_

**GENERAL RULE, NOT ALL MATURITIES SOLD**

10% NOT SOLD TO THE PUBLIC BY CLOSING IF MARKED	<u>YEAR</u> ( <u>MARCH</u> <u>1</u> )	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)	EXPECTED FIRST SALE PRICE OF AT LEAST 10% (% OF PAR)
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Total

**COMPETITIVE SALE**

<u>YEAR</u> <u>(MARCH</u> <u>1)</u>	PRINCIPAL AMOUNT <u>(\$)</u>	INTEREST RATE <u>(%)</u>	EXPECTED FIRST OFFER PRICE <u>(% OF PAR)</u>
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Total



**HOLD THE OFFER PRICE**

HOLD-THE- OFFERING- PRICE	<u>YEAR</u>	PRINCIPAL	INTEREST	FIRST SALE PRICE OF AT LEAST 10%	OFFER
MATURITY IF <u>MARKED</u>	<u>(MARCH</u> <u>1)</u>	<u>AMOUNT (\$)</u>	<u>RATE (%)</u>	<u>(% OF</u> <u>PAR)</u>	<u>PRICE</u> <u>(% OF PAR)</u>

Total \_\_\_\_\_

## **EXHIBIT B**

**[Pricing, Wire or Equivalent Communication][Bid]**