

PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 22, 2019

NEW ISSUE
BANK QUALIFIED

Moody's Rating: Requested

Subject to compliance by the County with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Notes (as hereinafter defined) is excludable from gross income of the owners thereof for federal income tax purpose, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Notes is not exempt from present State of Wisconsin income taxes. See "TAX EXEMPTION" herein for a more complete discussion.

\$2,515,000*

La Crosse County, Wisconsin
General Obligation Promissory Notes, Series 2019-A
(the "Notes")

(Book Entry Only)

Dated Date: Date of Delivery

Interest Due: Each April 1 and October 1,
commencing April 1, 2020

The Notes will mature April 1 in the years and amounts* as follows:

2021	\$260,000	2023	\$270,000	2025	\$280,000	2027	\$290,000	2029	\$300,000
2022	\$265,000	2024	\$275,000	2026	\$280,000	2028	\$295,000		

Bids for the Notes 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 prepayment at a price of par plus accrued interest to the date of prepayment scheduled to conform to the maturity schedule set forth above.

The County may elect on April 1, 2026, and on any day thereafter, to prepay Notes due on or after April 1, 2027, at the prepayment price of par plus accrued interest to the date set for prepayment. See "THE NOTES – Prepayment Provisions" herein.

The Notes will be general obligations of the County for which the County pledges its full faith, credit and power and unlimited taxing authority to levy direct general ad valorem taxes without limit as to rate or amount. The proceeds of the Notes will be used to finance various highway improvement projects within the County.

Bids shall be for not less than \$2,494,880 plus accrued interest, if any, on the total principal amount of the Notes. Bids shall specify rates in integral multiples of 1/100 or 1/8 of 1%. The initial price to the public as stated on the bid for each maturity must be 98.0% or greater. Following receipt of bids, a good faith deposit will be required to be delivered to the County by the lowest bidder as described in the "Official Terms of Offering" herein. Award of the Notes will be made on the basis of True Interest Cost (TIC).

The County will designate the Notes as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

The Notes will be issued as fully registered obligations without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). DTC will act as securities depository for the Notes. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Notes purchased. (See "Book Entry System" herein.) Wells Fargo Bank, National Association, Minneapolis, Minnesota will act as fiscal agent/registrant (the "Fiscal Agent/Registrar") for the Notes. The Notes will be available for delivery at DTC on or about November 26, 2019.

BID OPENING: Monday, November 4, 2019 until 11:00 A.M., Central Time

CONSIDERATION OF AWARD: County Board meeting commencing at 6:00 P.M., Central Time on Monday, November 4, 2019



Further information may be obtained from Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887 (651) 223-3000.

* Preliminary; subject to change.

The information contained in this Preliminary Official Statement is deemed by the County 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.

LA CROSSE COUNTY, WISCONSIN

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MUNICIPAL ADVISOR

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

BOND COUNSEL

Chapman and Cutler LLP
Chicago, Illinois

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the County from time to time, may be treated as a Preliminary Official Statement with respect to the Notes described herein that is deemed final as of the date hereof (or of any such supplement or correction) by the County.

By awarding the Notes to any underwriter or underwriting syndicate submitting a Bid therefor, the County agrees that, no more than seven business days after the date of such award, it shall provide without cost to the senior managing underwriter of the syndicate to which the Notes are awarded copies of the Final Official Statement in the amount specified in the Official Terms of Offering.

No dealer, broker, salesman or other person has been authorized by the County to give any information or to make any representations with respect to the Notes, other than as contained in this 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 County.

Certain information contained in this Preliminary Official Statement or the Final Official Statement may have been obtained from sources other than records of the County and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THIS PRELIMINARY OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THIS 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 COUNTY SINCE THE RESPECTIVE DATE THEREOF.

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 this Preliminary Official Statement or the Final Official Statement, they will be furnished upon request.

Any CUSIP numbers for the Notes included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Notes are assigned by an organization unaffiliated with the County. The County is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Notes or as set forth in the Final Official Statement. No assurance can be given by the County that the CUSIP numbers for the Notes will remain the same after the delivery of the Final Official Statement or the date of issuance and delivery of the Notes.

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OFFICIAL TERMS OF OFFERING

\$2,515,000*

LA CROSSE COUNTY, WISCONSIN GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2019-A (BOOK ENTRY ONLY)

Bids for the above-referenced obligations (the “Notes”) will be received by La Crosse County, Wisconsin (the “County”) on Monday, November 4, 2019 (the “Sale Date”) until 11:00 A.M., Central Time at the offices of Baker Tilly Municipal Advisors, LLC (“Baker Tilly MA”), 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, after which time bids will be opened and tabulated. Consideration for award of the Notes will be by the County Board of Supervisors at its meeting commencing at 6:00 P.M., Central Time, of the same day.

SUBMISSION OF BIDS

Baker Tilly MA will assume no liability for the inability of a bidder to reach Baker Tilly MA prior to the time of sale specified above. All bidders are advised that each bid shall be deemed to constitute a contract between the bidder and the County to purchase the Notes regardless of the manner by which the bid is submitted.

(a) **Sealed bidding.** Bids may be submitted in a sealed envelope or by fax (651) 223-3046 to Baker Tilly MA. Signed bids, without final price or coupons, may be submitted to Baker Tilly MA prior to the time of sale. The bidder shall be responsible for submitting to Baker Tilly MA the final bid price and coupons, by telephone (651) 223-3000 or fax (651) 223-3046 for inclusion in the submitted bid.

OR

(b) **Electronic bidding.** Notice is hereby given that electronic bids will be received via PARITY®. For purposes of the electronic bidding process, the time as maintained by PARITY® shall constitute the official time with respect to all bids submitted to PARITY®. *Each bidder shall be solely responsible for making necessary arrangements to access PARITY® 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 County, its agents nor PARITY® 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 County, its agents nor PARITY® 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®. The County is using the services of PARITY® solely as a communication mechanism to conduct the electronic bidding for the Notes, and PARITY® is not an agent of the County.

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

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

* *Preliminary; subject to change.*

DETAILS OF THE NOTES

The Notes will be dated as of the date of delivery, and will bear interest payable on April 1 and October 1 of each year, commencing April 1, 2020. Interest will be computed on the basis of a 360-day year of twelve 30-day months.

The Notes will mature April 1 in the years and amounts* as follows:

2021	\$260,000	2023	\$270,000	2025	\$280,000	2027	\$290,000	2029	\$300,000
2022	\$265,000	2024	\$275,000	2026	\$280,000	2028	\$295,000		

* *The County reserves the right, after bids are opened and prior to award, to increase or reduce the principal amount of the Notes 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 Notes as that of the original bid. Gross spread for this purpose is the differential between the price paid to the County for the new issue and the prices at which the bid indicates the securities are initially offered to the investing public.*

Bids for the Notes 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 above. In order to designate term bonds, the bid must specify "Years of Term Maturities" in the spaces provided on the bid form.

BOOK ENTRY SYSTEM

The Notes will be issued by means of a book entry system with no physical distribution of Notes made to the public. The Notes will be issued in fully registered form and one Note, representing the aggregate principal amount of the Notes 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 Notes. Individual purchases of the Notes 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 Notes. 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 Notes, will be required to deposit the Notes with DTC.

FISCAL AGENT/REGISTRAR

Wells Fargo Bank, National Association, Minneapolis, Minnesota will act as fiscal agent/registrar (the "Fiscal Agent/Registrar") for the Notes and shall be subject to applicable regulations of the Securities and Exchange Commission. The County will pay for the services of the Fiscal Agent/Registrar.

OPTIONAL PREPAYMENT

The County may elect on April 1, 2026, and on any day thereafter, to prepay Notes due on or after April 1, 2027. Prepayment may be in whole or in part and if in part at the option of the County and in such manner as the County shall determine. If less than all Notes of a maturity are called for prepayment, the County will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be prepaid and each participant will then select by lot the beneficial ownership interests in such maturity to be prepaid. All prepayments shall be at a price of par plus accrued interest.

SECURITY AND PURPOSE

The Notes will be general obligations of the County for which the County will pledge its full faith and credit and power and unlimited taxing authority to levy direct general ad valorem taxes without limit as to rate or amount. The proceeds of the Notes will be used to finance various highway improvement projects within the County.

BIDDING PARAMETERS

Bids shall be for not less than \$2,494,880 plus accrued interest, if any, on the total principal amount of the Notes. No bid can be withdrawn or amended after the time set for receiving bids on the Sale Date unless the meeting of the County scheduled for award of the Notes is adjourned, recessed, or continued to another date without award of the Notes having been made. 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. Notes of the same maturity shall bear a single rate from the date of the Notes to the date of maturity. No conditional bids will be accepted.

ESTABLISHMENT OF ISSUE PRICE

The Purchaser will be required to provide, in a timely manner, certain information necessary to compute the yield on the Notes pursuant to the provisions of the Internal Revenue Code of 1986, as amended, and to provide a certificate which will be provided by Chapman and Cutler LLP of Chicago, Illinois, ("Bond Counsel") upon request.

(a) The Purchaser shall assist the County in establishing the issue price of the Notes and shall execute and deliver to the County at closing an "issue price" or similar certificate satisfactory to Bond Counsel setting forth the reasonably expected initial offering price to the public (as hereinafter defined) or the sales price or prices of the Notes, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the County and Bond Counsel. All actions to be taken by the County under this Official Terms of Offering to establish the issue price of the Notes may be taken on behalf of the County by Baker Tilly MA and any notice or report to be provided to the County may be provided to Baker Tilly MA. Within one hour of the award, the Purchaser will provide the County and Baker Tilly MA the expected initial offering price of the Notes, which the Purchaser used to formulate its bid.

(b) The County 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 Notes) will apply to the initial sale of the Notes (the "competitive sale requirements") because:

- (1) The County 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 County 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 County anticipates awarding the sale of the Notes to the bidder who submits a firm offer to purchase the Notes at the lowest TIC, as set forth in this Official Terms of Offering.

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

(c) If all of the competitive sale requirements are not satisfied, the County shall advise the Purchaser. In such event, any bid submitted will not be subject to cancellation or withdrawal and the County agrees to use the rule selected by the Purchaser on its bid form to determine the issue price for the Notes. On its bid

form, each bidder must select one of the following two rules for determining the issue price of the Notes: (1) the "10% test" which will establish the issue price of a maturity of the Notes as the first price at which 10% of such maturity of the Notes is sold to the public or (2) the "hold-the-offering-price rule" which will establish the issue price of a maturity of the Notes as the initial offering price to the public as of the sale date as the issue price of each maturity of the Notes, in each case applied on a maturity-by-maturity basis. If the Purchaser selects to hold-the-offering-price rule, the Purchaser shall promptly advise the County, at or before the time of award of the Notes, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Notes have not satisfied the 10% test and will be subject to the hold-the-offering-price rule. Bidders should prepare their bids on the assumption that some or all of the maturities of the Notes will be subject to the hold-the-offering-price rule or the 10% test, as selected on the bid form, in order to establish the issue price of the Notes. In addition, if the 10% test has not been satisfied with respect to any maturity of the Notes prior to closing, then the Purchaser shall provide the County with a representation as to the price or prices as the date of closing at which the Purchaser reasonably expects to sell the remaining Notes of such maturity.

(d) If all of the competitive sale requirements are not satisfied and the Purchaser selects the hold-the-offering price rule, the Purchaser shall (i) confirm that the underwriters have offered or will offer the Notes to the public on or before the date of award at the offering price or prices (the "initial offering price"), or at 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 Notes, that the underwriters will neither offer nor sell unsold Notes 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 (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public.

The Purchaser will advise the County promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Notes to the public at a price that is no higher than the initial offering price to the public. Within one hour of the award, the Purchaser will inform the County of the initial offering price for each maturity of the Notes.

(e) If the competitive sale requirements are not satisfied and the Purchaser selects the 10% test, then until the 10% test has been satisfied as to each maturity of the Notes, the Purchaser agrees to promptly report to the County the prices at which the unsold Notes of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Notes of that maturity have been sold or (ii) the 10% test has been satisfied as to the Notes of that maturity, provided that, the Purchaser's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the County or Bond Counsel. In addition, if the 10% test has not been satisfied with respect to any maturity of the Notes prior to closing, then the Purchaser shall provide the County with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Notes of such maturity.

(f) The County acknowledges that in making the representation set forth above, the Purchaser will rely on:

- (i) the agreement of each underwriter to comply with requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 Notes to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in a selling group agreement and the related pricing wires, and

(iii) in the event that an underwriter or dealer who is a member of the selling group is a party to a third party distribution agreement that was employed in connection with the initial sale of the Notes to the public, the agreement of each broker-dealer that is party to such agreement to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, as set forth in the third-party distribution agreement and the related pricing wires. The County further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Notes, 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 third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Notes, including, but not limited to, its agreement to comply with the hold-the-offering-price rule as applicable to the Notes.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Notes 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 party to such third-party distribution agreement, as applicable, to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the Closing Date has occurred until either all securities of that maturity allocated to it have been sold or it is notified by the Purchaser that either the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the County or Bond Counsel.

(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 Notes of that maturity or until the close of business on the fifth (5th) business day following the date of award,

(C) to promptly notify the Purchaser of any sales of Notes that, to its knowledge, are made to a Purchaser who is a related party to an underwriter participating in the initial sale of the Notes to the public, and/or

(D) to acknowledge that, unless otherwise advised by the underwriter, the Purchaser shall assume that each order submitted by the underwriter is a sale to the public.

(ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Notes 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 a third-party distribution agreement to be employed in connection with the initial sale of the Notes to the public to require each broker-dealer that is a party to such third-party distribution agreement to:

(A) report the prices at which it sells to the public the unsold Notes of each maturity allocated to it, whether or not the closing date has occurred, until either all Notes of that maturity allocated to it have been sold or until it is notified by the Purchaser or such underwriter that the 10% test has been satisfied as to the Notes of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such underwriter, and

(B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Purchaser or the 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 Notes of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Notes to any person that is a related party to an underwriter participating in the initial sale of the Notes to the public (each term being used as defined below) 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 County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with person described in clause (A) to participate in the initial sale of the Notes to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Notes to the public),

(iii) a purchaser of any of the Notes is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 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), (B) 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 (C) 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 Notes are awarded by the County to the Purchaser.

GOOD FAITH DEPOSIT

To have its bid considered for award, the Purchaser is required to submit a good faith deposit to the County in the amount of \$25,150 (the "Deposit") no later than 2:00 P.M., Central Time on the Sale Date. The Deposit may be delivered as described herein in the form of either (i) a certified or cashier's check payable to the County; or (ii) a wire transfer. The Purchaser shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer. Neither the County 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 County 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.

Certified or Cashier's Check. A Deposit made by certified or cashier's check will be considered timely delivered to the County if it is made payable to the County and delivered to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101 by the time specified above.

Wire Transfer. A Deposit made by wire will be considered timely delivered to the County 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 County 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 County.

AWARD

The Notes 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 County. The County's computation of the interest rate of each bid, in accordance with customary practice, will be controlling.

The County 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 Notes, (ii) reject all bids without cause, and (iii) reject any bid that the County determines to have failed to comply with the terms herein.

BOND INSURANCE AT PURCHASER'S OPTION

The County has **not** applied for or pre-approved a commitment for any policy of municipal bond insurance with respect to the Notes. If the Notes 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 County specifically reserves the right to reject any bid specifying municipal bond insurance, even though such bid may result in the lowest TIC to the County. All costs associated with the issuance and administration of such policy and associated ratings and expenses (other than any independent rating requested by the County) shall be paid by the successful bidder. Failure of the municipal bond insurer to issue the policy after the award of the Notes shall not constitute cause for failure or refusal by the successful bidder to accept delivery of the Notes.

CUSIP NUMBERS

If the Notes qualify for the assignment of CUSIP numbers such numbers will be printed on the Notes; however, neither the failure to print such numbers on any Note nor any error with respect thereto will constitute cause for failure or refusal by the Purchaser to accept delivery of the Notes. 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 November 26, 2019, the Notes 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 Bond Counsel, and of customary closing papers, including a no-litigation certificate. On the date of settlement, payment for the Notes shall be made in federal, or equivalent, funds that shall be received at the offices of the County or its designee not later than 12:00 Noon, Central Time. Unless compliance with the terms of payment for the Notes has been made impossible by action of the County, or its agents, the Purchaser shall be liable to the County for any loss suffered by the County 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 County in the Note 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 County 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 County covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the County for the benefit of the Noteholders on or before the date of delivery of the Notes 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 County has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Notes, and said Preliminary Official Statement has been deemed final by the County as of the date thereof within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. For copies 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 County, Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101, telephone (651) 223-3000.

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 Notes, together with any other information required by law. By awarding the Notes to the Purchaser, the County agrees that, no more than seven business days after the date of such award, it shall provide without cost to the Purchaser up to 25 copies of the Final Official Statement. The County designates the Purchaser as its agent for purposes of distributing copies of the Final Official Statement to each syndicate member, if applicable. The Purchaser agrees that if its bid is accepted by the County, (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.

BY ORDER OF THE COUNTY BOARD OF SUPERVISORS

/s/ Virginia Dankmeyer
County Clerk

EXHIBIT A

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 General Obligation Promissory Notes, Series 2019-A (the “*Notes*”), of La Crosse County, Wisconsin (the “*County*”).

I. General

On the Sale Date the Purchaser purchased the Notes from the County by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the County. 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 Notes to the Public by the Purchaser is the price listed in *Schedule A* (the “*Expected Offering Prices*”). The Expected Offering Price is the price for such Maturity of the Notes used by the Purchaser in formulating its bid to purchase the Notes. Attached as *Schedule B* is a true and correct copy of the bid provided by the Purchaser to purchase the Notes.

(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 Notes.]

[10% Test – All Notes Sold]

[1. As of the date of this certificate, the first price at which at least 10% of each Maturity of the Notes was sold to the Public is the respective price listed in *Schedule C*.]

[10% Test – Not All Notes Sold]

[1. As of the date of this certificate, the Purchaser has not sold at least 10% of each Maturity of the Notes 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 Notes equal to 10% or more will be at or below

the Expected Sale Price for such Maturity listed on the attached *Schedule A* (the “*Expected First Sale Price*”).

3. The Purchaser agrees to comply with the price reporting requirements with respect to the Notes as set forth in the Official Notice of Note Sale for the Notes under the caption “ESTABLISHMENT OF ISSUE PRICE.”]

[All maturities use Hold the Offer Price]

[1. The Purchaser offered each Maturity of the Notes to the Public for purchase at the initial offering price listed in *Schedule A* (the “Initial Offering Price”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as *Schedule B*.

2. As set forth in the Official Notice of Note Sale and bid award, the Purchaser has agreed in writing that, (i) it would neither offer nor sell any of the Notes 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 Notes 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 Notes was sold to the Public is the respective price listed in *Schedule 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 *Schedule A* (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Notes is attached to this certificate as *Schedule 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 Notes 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 Notes not listed in *Schedule A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. *Hold-the-Offering-Price Maturities* means those Maturities of the Notes listed in *Schedule 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 (_____, 2019), 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 Notes with the same credit and payment terms. Notes with different maturity dates, or Notes 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 Notes. The Sale Date of the Notes is _____, 2019.

8. *Underwriter* means (i) any person that agrees pursuant to a written contract with the County (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Notes 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 Notes 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 Notes to the Public).

[IV. 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 Notes treating the fee paid as interest on the Notes) is less than the present value of the interest reasonably expected to be saved on the Notes over the term of the

Notes 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.]

V. 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 County 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 Notes, and by Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Notes 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 County from time to time relating to the Notes.

All terms not defined herein shall have the same meanings as in the Tax Exemption Certificate and Agreement with respect to the Notes, to which this Certificate is attached.

Dated: _____, 2019

Very truly yours,

By _____
Its _____

SCHEDULE A

GENERAL RULE, ALL MATURITIES SOLD

<u>YEAR</u> (JUNE 1)	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	FIRST SALE PRICE OF AT LEAST 10% <u>(% OF PAR)</u>	OFFER PRICE <u>(% OF PAR)</u>
2020				
2021				
2022				
2023				
2024				
2025				
2026				
2027				
2028				
2029				
2030				
2031				
2032				
2033				
2034				
2035				
2036				
2037				
2038				
Total				

GENERAL RULE, NOT ALL MATURITIES SOLD

10% NOT SOLD TO THE PUBLIC BY CLOSING IF MARKED	<u>YEAR</u> (FEB 1)	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	FIRST SALE PRICE OF AT LEAST 10% <u>(% OF</u> <u>PAR)</u>	EXPECTED FIRST SALE PRICE OF AT LEAST 10% <u>(% OF PAR)</u>
	2021				
	2022				
	2023				
	2024				
	2025				
	2026				
	2027				
	2028				
	2029				
	2030				
	2031				
	2032				
	2033				
	2034				
	2035				
	2036				
	2037				
	2038				
	2039				
Total		=====			

COMPETITIVE SALE

<u>YEAR</u> <u>(FEB 1)</u>	PRINCIPAL AMOUNT <u>(\$)</u>	INTEREST RATE <u>(%)</u>	EXPECTED FIRST OFFER PRICE <u>(% OF PAR)</u>
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
Total	<u>=====</u>		

HOLD THE OFFER PRICE

HOLD-THE- OFFERING- PRICE				FIRST SALE PRICE OF AT	OFFER PRICE
MATURITY IF MARKED	<u>YEAR</u> (FEB 1)	<u>PRINCIPAL</u> <u>AMOUNT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>	<u>LEAST 10%</u> <u>(% OF PAR)</u>	<u>(% OF PAR)</u>
	2021				
	2022				
	2023				
	2024				
	2025				
	2026				
	2027				
	2028				
	2029				
	2030				
	2031				
	2032				
	2033				
	2034				
	2035				
	2036				
	2037				
	2038				
	2039				
Total		=====			

SCHEDULE B

[Pricing, Wire or Equivalent Communication][Bid]

OFFICIAL STATEMENT

\$2,515,000*

**LA CROSSE COUNTY, WISCONSIN
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2019-A
(BOOK ENTRY ONLY)**

INTRODUCTORY STATEMENT

This Official Statement contains certain information relating to La Crosse County, Wisconsin (the “County”) and its issuance of \$2,515,000* General Obligation Promissory Notes, Series 2019-A (the “Notes”). The Notes will be general obligations of the County for which the County will pledge its full faith, credit and power and unlimited taxing authority to levy direct general ad valorem taxes without limit as to rate or amount.

Inquiries may be directed to Ms. Sharon Davidson, Auditor/Finance Director, La Crosse County, 212 Sixth Street North, La Crosse, Wisconsin 54601-3200, by calling (608) 785-9752, or by e-mailing sdavidson@lacrossecounty.org. Inquiries may also be made to Baker Tilly Municipal Advisors, LLC, 380 Jackson Street, Suite 300, Saint Paul, Minnesota 55101-2887, by calling (651) 223-3000, or by e-mailing bond_services@bakertilly.com. If information of a specific legal nature is desired, requests may be directed to Mr. Kent Floros, Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603, Bond Counsel, by calling (312) 845-3723, or by e-mailing floros@chapman.com.

CONTINUING DISCLOSURE

On or before the date of actual issuance and delivery of the Notes, the County will enter into a continuing disclosure undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Notes to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access System (“EMMA”) pursuant to the requirements of Section (b)(5) of Rule 15(c)2-12 (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth in Appendix II attached hereto and made a part hereof and entitled “CONTINUING DISCLOSURE UNDERTAKING.”

The County 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.

A failure by the County to comply with the Undertaking will not constitute a default under the resolution awarding the issuance of the Notes, and beneficial owners of the Notes are limited to the remedies described in the Undertaking. See “APPENDIX II – CONTINUING DISCLOSURE UNDERTAKING.” A failure by the County 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 Notes in the secondary market. Consequently, such a failure may adversely affect the purchase or sale of the Notes and their market price.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of the Rule.

* *Preliminary; subject to change.*

THE NOTES

General Description

The Notes are dated as of the date of delivery and will mature and bear interest in the principal amounts and on the dates shown on the front cover of this Official Statement. The Notes are issued in book entry form. Interest on the Notes will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar as of the fifteenth day of the calendar month next preceding such interest payment date. Interest will be computed on the basis of a 360-day year of twelve 30-day months. Principal of and interest on the Notes will be paid as described in the section herein entitled “Book Entry System.” Wells Fargo Bank, National Association, Minneapolis, Minnesota will serve as Registrar for the Notes, and the County will pay for registrar services.

Prepayment Provisions

Mailed notice of prepayment shall be given to the registered owner(s) of the Notes in accordance with the requirements of DTC which currently requires no less than twenty (20) days nor more than sixty (60) days prior to the prepayment date. Failure to give such written notice to any registered owner of the Notes or any defect therein shall not affect the validity of any proceedings for the prepayment of the Notes. All Notes or portions thereof called for prepayment will cease to bear interest after the specified prepayment date, provided funds for their prepayment are on deposit at the place of payment.

Optional Prepayment

The County may elect on April 1, 2026, and on any day thereafter, to prepay Notes due on or after April 1, 2027. Prepayments may be in whole or in part and if in part at the option of the County and in such order as the County shall determine. If less than all the Notes of a maturity are called for prepayment, the County will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant’s interest in such maturity to be prepaid and each participant will then select by lot the beneficial ownership interests in such maturity to be prepaid. All prepayments shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Notes. The Notes 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 Notes, 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.

Purchases of Notes under the DTC system must be made by or through Direct Participants, which will receive a credit for the Notes on DTC’s records. The ownership interest of each actual purchaser of each Note (“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 Notes 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 Notes, except in the event that use of the book-entry system for the Notes is discontinued.

To facilitate subsequent transfers, all Notes 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 Notes 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 Notes; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Notes 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 Notes may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Notes, such as redemptions, tenders, defaults, and proposed amendments to the Note documents. For example, Beneficial Owners of the Notes may wish to ascertain that the nominee holding the Notes 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 Notes 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 Notes unless authorized by a Direct Participant in accordance with DTC’s MMI procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County 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 Notes are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Notes 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 County 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 County, 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 County or 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 Notes at any time by giving reasonable notice to County 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 County 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 County believes to be reliable, but the County takes no responsibility for the accuracy thereof.

AUTHORITY AND PURPOSE

The Notes are being issued pursuant to Wisconsin Statutes, Section 67.12(12). The proceeds of the Notes will be used to finance various highway improvement projects within the County.

SOURCES AND USES OF FUNDS*

The composition of the Notes is estimated to be as follows:

Sources of Funds:	
Principal Amount	<u>\$2,515,000</u>
Total Sources of Funds	\$2,515,000
Uses of Funds:	
Deposit to Project Fund	\$2,450,000
Estimated Costs of Issuance	44,880
Allowance for Discount Bidding	<u>20,120</u>
Total Uses of Funds	\$2,515,000

* *Preliminary; subject to change.*

SECURITY AND FINANCING

The Notes will be general obligations of the County for which the County will pledge its full faith, credit and power and unlimited taxing authority to levy direct general ad valorem taxes without limit as to rate or amount. The County will make its first levy for the Notes in 2019 for collection in 2020. Each year's tax levy will be sufficient to provide for the payment of the April 1 principal and interest payment and the October 1 interest payment in such year.

FUTURE FINANCING

The County does not anticipate issuing any additional long-term general obligation debt within the next 90 days.

LITIGATION

The County is not aware of any threatened or pending litigation affecting the validity of the Notes or the County's ability to meet its financial obligations with respect to the Notes.

LEGALITY

Certain legal matters incident to the authorization, issuance and sale of the Notes are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (“Bond Counsel”), who has been retained by, and acts as, Bond Counsel to the County. Bond Counsel has not been retained or consulted on disclosure matters, and has not undertaken to review or verify the accuracy or completeness and sufficiency of this Preliminary Official Statement or other offering material relating to the Notes, 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 County, reviewed those portions of the Preliminary Official Statement involving the description of the federal tax exemption of the interest on the Notes and the “bank-qualified” status of the Notes. This review was undertaken solely at the request and for the benefit of the County 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 Notes, 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 County has covenanted to comply with all requirements that must be satisfied in order for the interest on the Notes to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Notes to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Notes.

Subject to the County’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Notes 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”).

In rendering its opinion, Bond Counsel will rely upon certifications of the County with respect to certain material facts within the County’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 Notes 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 Notes 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 Notes is the price at which a substantial amount of such maturity of the Notes 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 Notes 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 Notes is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Notes (the “OID Notes”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Note in the initial public offering at the OID Issue Price for such maturity and who holds such OID Note to its stated maturity, subject to the condition that the County complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Note 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 Note 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 Notes should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Notes.

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

If an Note is purchased at any time for a price that is less than the Note’s stated redemption price at maturity or, in the case of an OID Note, its OID Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased an Note 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 an Note 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 Note 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 Note. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Notes.

An investor may purchase an Note 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 Note 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 Note. Investors who purchase an Note at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Note’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Note.

There are or may be pending in the Congress of the United States 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 Notes. 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 Notes 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 Internal Revenue Service (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 Notes. If an audit is commenced, under current procedures the Service may treat the County as a taxpayer and the Noteholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Notes 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 Notes, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Note 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 Note 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 Notes is not exempt from current State of Wisconsin income or franchise taxes. Ownership of the Notes 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 Notes. Prospective investors should consult their own tax advisors about the state and local tax consequences of owning a Note.

BANK-QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the County’s compliance with certain covenants, in the opinion of Bond Counsel, the Notes are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Code which allows banks and certain other financial institutions more favorable treatment of their deduction for inherent expense than would be allowed otherwise under Section 265(b)(2) of the Code.

PROPERTY TAX LIMITS

Section 66.0602 of the Wisconsin Statutes, imposes a limit on property tax levies by cities, villages, towns, and counties. No city, village, town, or county is permitted to increase its tax levy by a percentage that exceeds its valuation factor (which is defined as a percentage equal to the greater of the percentage change in the political subdivision’s January 1 equalized value due to new construction less improvements removed or zero percent (0%)). The base amount in any year to which the levy limit applies is the actual levy for the immediately preceding year. This levy limitation is an overall limit, applying to levies for operations as well as for other purposes.

A political subdivision that did not levy its full allowable levy in the prior year can carry forward the difference between the allowable levy and the actual levy, up to a maximum of 1.5% of the prior year's actual levy. The carry forward resolution may be passed by a majority vote of the governing body if the increase is .5% or less of the prior year's actual levy. If the increase is between .5% and 1.5% of the prior year's actual levy the governing body must pass the carry forward resolution by an extraordinary vote. For municipal governing bodies that have less than five members, passage must be by a two-thirds majority vote. If the governing body consists of at least five members, then the carry forward resolution must be passed by a three-fourths majority vote.

Special provisions are made with respect to property taxes levied to pay general obligation debt service, as described below. In addition, the statute provides for certain other exclusions from and adjustments to the tax levy limit. Among the items excluded from the tax levy limit are amounts levied for any revenue shortfall for debt service on a revenue bond issued under Section 66.0621. Among the adjustments permitted is an adjustment applicable when a tax increment district terminates, which allows an amount equal to the prior year's allowable levy multiplied by 50% of the political subdivision's percentage growth due to the district's termination.

(a) If a political subdivision's levy for the payment of general obligation debt service, including debt service on debt issued or reissued to fund or refund outstanding obligations of the political subdivision and interest on outstanding obligations of the political subdivision, on debt originally issued before July 1, 2005, is less in the current year than in the previous year, the political subdivision is required to reduce its levy limit in the current year by the amount of the difference between the previous year's levy and the current year's levy. This required adjustment does not apply to political subdivisions in any year that the subdivision does not claim the carry forward adjustment described above.

(b) For obligations authorized before July 1, 2005, if the amount of debt service in the preceding year is less than the amount of debt service needed in the current year, the levy limit is increased by the difference between the two amounts. This adjustment is based on scheduled debt service rather than the amount actually levied for debt service (after taking into account offsetting revenues such as sales tax revenues, special assessments, utility revenues, tax increment revenues or surplus funds). Therefore, the levy limit could negatively impact political subdivisions that experience a reduction in offsetting revenues.

(c) The levy limits do not apply to property taxes levied to pay debt service on general debt authorized on or after July 1, 2005. The Obligations were authorized after July 1, 2005 and therefore are **not** subject to the levy limits.

RATING

Application for a rating of the Notes has been made to Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York. If a rating is assigned, it will reflect only the opinion of Moody's. Any explanation of the significance of the rating may be obtained only from Moody's.

There is no assurance that a rating, if assigned, will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Notes.

MUNICIPAL ADVISOR

The County has retained Baker Tilly Municipal Advisors, LLC, of Saint Paul, Minnesota, and Milwaukee, Wisconsin as municipal advisor in connection with certain aspects of the issuance of the Obligations. In preparing this Official Statement, Baker Tilly Municipal Advisors, LLC has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for this Official Statement. Baker Tilly Municipal Advisors, LLC has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. Baker Tilly Municipal Advisors, LLC is an independent advisory firm, registered as a municipal advisor, and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

Baker Tilly Virchow Krause, LLP, a separate division of the Municipal Advisor, performed the independent audit of the financial statements of the County for the year ended December 31, 2018 attached as Appendix IV to this Official Statement and is currently engaged as the independent auditor for the County.

CERTIFICATION

The County has authorized the distribution of this Preliminary Official Statement for use in connection with the initial sale of the Notes and a Final Official Statement following award of the Notes. The Purchaser will be furnished with a certificate signed by the appropriate officers of the County stating that the County examined each document and that, as of the respective date of each and the date of such certificate, each document did not and does not contain any untrue statement of material fact or omit to state a material fact necessary, in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

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COUNTY PROPERTY VALUES

Trend of Values

	<u>Equalized Value (Includes Captured Tax Increment Value)</u>	<u>Net Equalized Value (Excludes Captured Tax Increment Value)</u>	<u>Captured Tax Increment Value</u>
2019	\$10,552,445,000	\$9,998,434,200	\$554,010,800
2018	10,035,854,500	9,497,563,500	538,291,000
2017	9,635,009,700	9,149,390,900	485,618,800
2016	9,044,241,400	8,656,333,800	387,907,600
2015	8,717,923,400	8,408,267,300	309,656,100

Source: Wisconsin Department of Revenue, <http://www.revenue.wi.gov/>.

2019 Equalized Values by Class of Property

Real Estate:		
Residential	\$ 7,029,542,400	66.6%
Commercial	2,702,358,200	25.6
Manufacturing	252,883,800	2.4
Other	323,255,400	3.1
Personal Property	<u>244,405,200</u>	<u>2.3</u>
2019 Equalized Value	\$10,552,445,000	100.0%
Less: Captured Tax Increment Value	<u>(554,010,800)</u>	
2019 Net Equalized Value	\$ 9,998,434,200	

Source: Wisconsin Department of Revenue, <http://www.revenue.wi.gov/>.

2019 Net Equalized Value by Municipality*

		<u>Composition of County's Net Equalized Value</u>		<u>Percent of Municipality's Value in County</u>
		<u>Amount</u>	<u>Percent</u>	
Cities:	La Crosse	\$3,543,717,600	35.4%	100.0%
	Onalaska	2,098,305,900	21.0	100.0
Villages:	Bangor	86,673,500	0.9	100.0
	Holmen	716,116,900	7.2	100.0
	Rockland	35,941,500	0.4	100.0
	West Salem	435,129,500	4.3	100.0
	12 Towns	<u>3,082,549,300</u>	<u>30.8</u>	100.0
2019 Net Equalized Value		\$9,998,434,200	100.0%	

* Excluding captured tax increment value.

Source: Wisconsin Department of Revenue, <http://www.revenue.wi.gov/>.

Ten of the Largest Taxpayers in the County

<u>Taxpayer</u>	<u>Type of Business</u>	2018 <u>Equalized Value^(a)</u>
Gundersen Lutheran Medical Center	Medical Clinics/Hospital	\$238,673,040
Kwik Trip Stores, Inc. and Warehouse	Convenience Stores	115,508,920
Crown American Valley View Mall	Shopping Center	77,892,500
United Health Group	Healthcare	64,756,180
Mayo Clinic Health System (Franciscan Healthcare)	Medical Clinics/Hospital	55,005,310
Three Sixty Real Estate	Real Estate Development	52,430,300
The Trane Company	Heating and Cooling Equipment	50,980,900
Wal-Mart/Sam's Club	Retail/Groceries	36,287,430
Belle Square LLC	Real Estate Development	32,416,250
Menard's Inc.	Home Improvement	<u>26,152,060</u>
Total		\$750,102,890 ^(b)

(a) 2019 equalized values are not yet available for individual taxpayers.

(b) Gundersen Lutheran Medical Center represents 2.4% of the County's 2018 equalized value of \$10,035,854,500. The remaining nine largest taxpayers represent 5.1% of the County's 2018 equalized value of \$10,035,854,500.

Tax Increment Districts

Municipalities in the County have created Tax Increment Districts (the "TID's") under Section 66.1105 (formerly 66.46) of the Wisconsin Statutes. The TID's increment valuation has been excluded from the County's tax base.

<u>Municipality</u>	<u>TID Number</u>	<u>Creation Date</u>	<u>Base Value</u>	<u>2019 Value</u>	<u>Increment</u>
Village of Bangor	#1	2008	\$ 484,800	\$ 368,400	*
Village of Bangor	#2	2015	620,500	2,308,800	\$ 1,688,300
Village of Holmen	#2	2009	2,647,000	14,605,000	11,958,000
Village of Holmen	#3	2015	37,362,300	80,371,500	43,009,200
Village of Rockland	#1	2010	1,176,300	5,789,400	4,613,100
Village of West Salem	#1	2007	4,910,800	18,657,300	13,746,500
City of La Crosse	#6	1994	33,884,800	97,635,100	63,750,300
City of La Crosse	#7	1997	15,000,800	26,654,000	11,653,200
City of La Crosse	#10	2003	2,540,100	9,237,600	6,697,500
City of La Crosse	#11	2005	132,955,800	281,828,700	148,872,900
City of La Crosse	#12	2005	19,363,800	39,810,500	20,446,700
City of La Crosse	#13	2006	53,698,400	121,834,500	68,136,100
City of La Crosse	#14	2006	60,747,300	118,910,100	58,162,800
City of La Crosse	#15	2013	62,802,000	95,109,700	32,307,700
City of La Crosse	#16	2014	18,087,300	24,749,300	6,662,000
City of La Crosse	#17	2015	11,744,600	74,051,100	<u>62,306,500</u>
Total					\$554,010,800

* This district has a zero or negative increment; therefore, no increment value is shown.

Source: Wisconsin Department of Revenue, <http://www.revenue.wi.gov/>.

COUNTY INDEBTEDNESS

Legal Debt Limit and Debt Margin

Legal Debt Limit (5% of 2019 Equalized Value)	\$527,622,250
Less: Outstanding Debt Subject to Limit (Including the Notes)	<u>(69,550,000)</u>
 Legal Debt Margin as of November 26, 2019	 \$458,072,250

General Obligation Debt Supported by Taxes*

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-26-19</u>
5-1-07	\$ 555,000	Corporate Purpose	10-1-2020	\$ 60,000
12-29-10	2,430,000	Taxable County Home	10-1-2030	1,450,000
12-29-10	4,590,000	Taxable Refunding	4-1-2026	1,575,000
12-29-10	3,460,000	Refunding	4-1-2028	2,085,000
10-1-13	5,245,000	Promissory Notes	10-1-2023	2,445,000
11-25-14	3,835,000	Promissory Notes	10-1-2024	1,820,000
10-15-15	13,665,000	Corporate Purpose	10-1-2035	10,660,000
8-18-16	13,460,000	Corporate Purpose	10-1-2035	11,415,000
8-18-16	4,920,000	Refunding	10-1-2028	3,825,000
8-18-16	13,045,000	Refunding	10-1-2028	10,920,000
9-14-17	16,130,000	Nursing Home Refinancing	4-1-2037	15,575,000
9-14-17	2,725,000	Promissory Notes	4-1-2027	2,465,000
10-10-18	2,765,000	Promissory Notes	4-1-2028	2,740,000
11-26-19	2,515,000	Promissory Notes (the Notes)	4-1-2029	<u>2,515,000</u>
Total				\$69,550,000

* These issues are subject to the legal debt limit.

Revenue Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Est. Principal Outstanding As of 11-26-19</u>
9-29-15	\$5,475,000	Solid Waste Revenue		
		State Trust Fund Loan ("STFL")	3-15-2025	\$ 3,928,175
9-26-16	7,820,000	Solid Waste Revenue STFL	3-15-2026	<u>5,656,524</u>
Total				\$9,584,699

Estimated Calendar Year Debt Service Payments Including the Notes

<u>Year</u>	<u>G.O. Debt Supported by Taxes</u>	
	<u>Principal</u>	<u>Principal & Interest^(a)</u>
2019 (at 11-26)	-0-	-0-
2020	\$ 6,030,000	\$ 8,162,537
2021	6,395,000	8,356,314
2022	6,425,000	8,169,580
2023	6,205,000	7,726,389
2024	5,365,000	6,663,796
2025	4,840,000	5,964,050
2026	4,980,000	5,944,990
2027	5,000,000	5,827,138
2028	4,855,000	5,542,883
2029	2,615,000	3,171,714
2030	2,390,000	2,864,744
2031	2,305,000	2,708,606
2032	2,365,000	2,704,031
2033	2,435,000	2,706,722
2034	2,510,000	2,710,988
2035	2,580,000	2,707,769
2036	1,110,000	1,163,125
2037	<u>1,145,000</u>	<u>1,162,891</u>
Total	\$69,550,000 ^(b)	\$84,258,267

<u>Year</u>	<u>Revenue Debt</u>	
	<u>Principal</u>	<u>Principal & Interest</u>
2019 (at 11-26)	-0-	-0-
2020	\$ 1,313,064	\$ 1,683,322
2021	1,364,795	1,683,322
2022	1,417,515	1,683,322
2023	1,472,273	1,683,322
2024	1,528,726	1,683,322
2025	1,588,208	1,683,322
2026	<u>900,118</u>	<u>933,872</u>
Total	\$9,584,699	\$11,033,804

(a) Includes the Notes at an assumed average annual interest rate of 1.82%.

(b) 75.8% of this debt will be retired within ten years.

Operating Leases

The County has multiple operating leases for Sheriff's Department squad vehicles for periods ranging from 2019 through 2022. The total future minimum lease payments required under these operating leases as of December 31, 2018 is \$70,695. Lease payments for the year ended December 31, 2018 totaled \$43,908.

Overlapping Debt

<u>Taxing Unit^(a)</u>	<u>2019 Net Equalized Value</u>	<u>Est. G.O. Debt As of 11-26-19^(b)</u>	<u>Debt Applicable to Value in County</u>	
			<u>Percent</u>	<u>Amount</u>
Cities:				
La Crosse	\$ 3,543,717,600	\$ 73,314,775	100.0%	\$ 73,314,775
Onalaska	2,098,305,900	41,785,000	100.0	41,785,000
Villages:				
Bangor	86,673,500	816,280 ^(c)	100.0	816,280
Holmen	716,116,900	16,839,335 ^(c)	100.0	16,839,335
Rockland	35,941,500	1,063,565 ^(c)	100.0	1,063,565
West Salem	435,129,500	804,360 ^(c)	100.0	804,360
Towns:				
Barre	126,185,000	136,000 ^(c)	100.0	136,000
Campbell	355,848,700	1,434,354 ^(c)	100.0	1,434,354
Farmington	189,316,700	327,257 ^(c)	100.0	327,257
Greenfield	182,691,100	691,630 ^(c)	100.0	691,630
Hamilton	284,728,200	310,000 ^(c)	100.0	310,000
Holland	445,156,900	286,960 ^(c)	100.0	286,960
Onalaska	617,582,600	962,067 ^(c)	100.0	962,067
Shelby	465,787,900	1,249,785 ^(c)	100.0	1,249,785
School Districts:				
Bangor	310,573,966	3,100,000	96.0	2,976,000
Cashton	235,807,114	10,040,000	7.4	742,960
Holmen	1,897,908,385	35,200,000	100.0	35,200,000
La Crosse	4,605,738,223	19,885,000	98.6	19,606,610
Melrose-Mindoro	367,509,049	22,495,000	47.7	10,730,115
Onalaska	2,078,031,035	20,345,000	100.0	20,345,000
West Salem	967,796,013	26,070,000	100.0	26,070,000
Westby Area	538,306,938	10,295,000	4.3	442,685
Technical College Districts				
Western Technical College	21,081,715,710	105,695,000	47.4	50,099,430
Sanitary Districts				
Mindoro #1	18,589,042	949,786 ^(c)	100.0	949,786
Shelby #2	46,251,566	748,675 ^(c)	100.0	748,675
St. Joseph #1	26,101,048	659,232 ^(c)	100.0	<u>659,232</u>
Total				\$308,591,861

(a) Only those taxing units with general obligation debt outstanding are shown here.

(b) Includes general obligation bonds, promissory notes, and State Trust Fund Loans. Excludes tax and revenue anticipation notes of less than one year to maturity and revenue debt.

(c) General obligation debt outstanding as of December 31, 2018 as listed in the County's Comprehensive Annual Financial Report; most recent information available.

Debt Ratios*

	<u>G.O. Direct Debt</u>	<u>G.O. Direct & Overlapping Debt</u>
To 2019 Net Equalized Value (\$9,998,434,200)	0.70%	3.78%
Per Capita (119,484 – 2019 State Estimate)	\$582	\$3,165

* Exclude Revenue Debt and Short-Term Debt.

COUNTY TAX RATES, LEVIES AND COLLECTIONS

Tax Rates Per \$1,000 of Assessed Value for a City Resident Living in the La Crosse School District

	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2017/18</u>	<u>2018/19</u>
State and County	\$ 4.02	\$ 4.10	\$ 4.18	\$ 4.10	\$ 4.13
City of La Crosse	12.24	12.24	12.29	12.08	12.05
La Crosse School District	11.12	11.11	10.91	11.17	11.20
Western Technical College	<u>1.66</u>	<u>1.68</u>	<u>1.71</u>	<u>1.78</u>	<u>1.79</u>
Net Tax Rate	\$29.04	\$29.13	\$29.09	\$29.13	\$29.17
Ratio of Assessed to Equalized Value	95.61%	93.72%	91.66%	86.39%	83.59%

Source: City of La Crosse.

Tax Levies and Collections

<u>Levy/Collect</u>	<u>Levy for County Purposes Only</u>	<u>Total Levy for All Units in County</u>	<u>Amount Collected (6/30/19)</u>	<u>Overall Percent Collected*</u>
2018/19	\$34,884,624	\$222,807,508	(In process of collection)	
2017/18	34,325,679	218,891,315	\$218,159,596	99.67%
2016/17	35,181,726	215,821,646	215,394,297	99.80
2015/16	34,156,629	211,710,969	211,496,108	99.90
2014/15	33,008,972	208,496,752	208,341,344	99.93

* Includes delinquencies from prior years paid during collection year. The absorption of delinquencies of underlying municipalities offsets the collection of the County's own levy. Therefore, the percentage of the County's own levy collected in the collection year is always lower than the overall collection rate for all municipalities in the County. Procedures for the collection of delinquencies assure that within five years of the levy most delinquencies plus interest and penalties will be paid. (See "COUNTY TAX RATES, LEVIES AND COLLECTIONS – Tax Collection and Settlement Procedures in La Crosse County" herein.)

Tax Collection and Settlement Procedures in La Crosse County

All taxes on real and personal property can be paid in two installments and is handled by the municipality (except for the City of La Crosse, which collects taxes quarterly and settles with the County on August 15 of each year). Real estate taxes and personal property taxes on leased lands may be paid in two installments. First-half taxes are due on or before January 31 and are paid to the municipal treasurer in which the property is situated. Second-half taxes are paid to the County or, at the discretion of the municipality, to the local treasurer on or before July 31 of each collection year. State law requires the County to remit the tax levy due to its underlying governmental units and keep for its own use all delinquent taxes subsequently collected and money derived from tax sales. The County does not remit delinquent special assessment payments, utility payments, and special charges to the underlying governmental units. The underlying governmental units are responsible for enforcing the collection of such special assessment and utility payments and special charges. La Crosse County has a statutory obligation to settle by August 20 with its underlying units.

As unpaid taxes become delinquent, a penalty is charged in the form of 1.5% interest per month from February 1 of the collection year until the delinquent tax is paid. By statute, on August 31, delinquent taxes for that collection year are sold for tax certificates (the “Certificates”). La Crosse County purchases all Certificates for itself, and the Certificates remain liens against the property for two years and may be redeemed any time by payment of the delinquent taxes and interest penalty. If the taxes are still delinquent after two years from the date the Certificate was issued, the County will convert the Certificate to a tax deed and will foreclose, selling the property for taxes due.

NOTE: See Appendix III for Wisconsin property tax and collection information.

**CASH ON HAND
As of August 31, 2019**

<u>Fund</u>	<u>Cash and Investments</u>
General	\$37,860,356
Debt Service	2,991,728
Capital Projects	1,850
Special Revenue	7,887,626
Enterprise	22,248,974
Component Unit	230,782*
Internal Service	17,437,051
Trust & Agency	<u>1,077,594</u>
 Total	 <u><u>\$89,735,961</u></u>

* *This balance reflects an estimate of allocated year to date expensed between enterprise and component unit funds based on 2018 actual allocated expenses. The cash balance is reviewed each year end and, per resolution, if the balance is negative, transfers can be made from specific enterprise funds to the component unit.*

INVESTMENTS

The County Treasurer, in conjunction with the investment advisory team, has the responsibility of conducting all investment transactions. An investment report is sent each month to the Executive Committee of the County Board of Supervisors for review. The investment policy is reviewed annually by the County Treasurer and the Finance Director. Any changes are approved by the Executive Committee and the County Board.

The objectives of County investment activities are as follows (in order of priority):

1. To preserve capital in the overall portfolio and to protect investment principal,
2. maintenance of sufficient liquidity to meet cash flow needs,
3. attainment of the maximum yield possible consistent with the first two objectives, and
4. full investment of all available funds.

Eligible investments consist of the following:

1. U.S. Treasury obligations and government agency securities.
2. Certificates of Deposit.
3. General obligation bonds or securities of Wisconsin governments.

4. State of Wisconsin Local Government Investment Pool.
5. Repurchase agreements.
6. Operating bank account.

As of August 31, 2019, the County's funds were invested as follows:

State of Wisconsin Local Government Investment Pool	\$35,197,239
Treasury Bills	3,732,493
Pooled Mortgages-Government Agencies	28,410,056
Corporate Issues	1,563,624
Checking and Money Market	<u>20,832,549</u>
Total	<u>\$89,735,961</u>

GENERAL INFORMATION CONCERNING THE COUNTY

La Crosse County is located on the western edge of the State of Wisconsin and is bounded on the west by the Mississippi River and the State of Minnesota border. The City of La Crosse serves as the County seat. The County covers an area of approximately 481 square miles (307,840 acres) and contains all or portions of two cities, four villages, and 12 towns.

Population

The County's population trend is shown below:

<u>Year</u>	<u>Population</u>	<u>% Change</u>
2019 (State Estimate)	119,484	4.2%
2010 (Census)	114,638	7.0
2000 (Census)	107,120	9.4
1990 (Census)	97,904	7.5
1980 (Census)	91,056	--

Sources: U.S. Census Bureau, <http://www.census.gov/> and Wisconsin State Department of Administration <http://www.doa.state.wi.us/>.

The County's estimated 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>
2018/19	23,834	33,752	41,446	19,851
2017/18	23,935	33,867	41,560	19,281
2016/17	24,281	33,939	42,098	18,755
2015/16	24,544	33,655	42,624	18,303
2014/15	24,571	32,946	42,561	17,539

Sources: Environics Analytics, Claritas, Inc., and The Nielsen Company.

Transportation

Interstate Highway 90 traverses the County east to west, passing through the cities of La Crosse and Onalaska. U.S. highways 14, 53, and 61 also traverse the County, as well as State Highways 33, 16, 157, and 35.

The City of La Crosse owns and operates the La Crosse Regional Airport which is located two miles northwest of the city. The municipal airport is served by Delta and American Airlines, with flights flown by several feeder airlines. The airport is an all-weather facility. All the airport runways are 150 feet wide, with the longest being 8,742 feet long, which is the fourth longest runway in the State of Wisconsin. The other runways are 6,050 feet and 5,199 feet in length. With its infrastructure, the La Crosse Airport can accommodate even the largest aircraft in service.

Water transportation facilities are available with 12 barge terminals located on the Black and Mississippi rivers.

Major Employers

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Gundersen Lutheran Medical Center/ Gundersen Clinic	Medical clinics/hospital	7,410 ^(a)
Kwik Trip (Corporate Office)	Convenience stores	3,050
Mayo Clinic Health System – Franciscan Healthcare	Medical clinics/hospital	2,345
Optum Health	Medical services provider	2,000
The Trane Company (Corporate Office)	Air conditioning/heating equipment	1,598
La Crosse County	County government	1,284 ^(b)
University of Wisconsin-La Crosse	Education	1,246
La Crosse School District	Education	1,149 ^(b)
Century Link	Telephone utility	800
La Crosse Area Family of YMCA	Fitness center	766
Walmart	Retail	760
Festival Foods	Grocery	744
Western Technical College	Education	700 ^(b)
School District of Holmen	Education	630
Bethany St. Joseph Corporation	Senior Services	563
Dairyland Power Co-op	Electric utility	544 ^(c)
City of La Crosse	City government	536
City Brewing LLC	Beverage producer	528

^(a) Includes employees in Wisconsin, Minnesota, and Iowa.

^(b) Includes seasonal and part-time employees.

^(c) Total includes all employees within Dairyland Power Co-op.

Source: This does not purport to be a comprehensive list and is based on an August 2019 best efforts telephone survey of individual employers. Some employers do not respond to inquiries.

Labor Force Data

	<u>Annual Average</u>				<u>August</u>
	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Civilian Labor Force:					
La Crosse-Onalaska					
WI-MN MSA	77,101	78,328	78,288	77,721	77,400
La Crosse County	66,619	67,699	67,830	67,261	66,878
State of Wisconsin	3,092,181	3,125,311	3,140,410	3,133,294	3,146,807
Unemployment Rate:					
La Crosse-Onalaska					
WI-MN MSA	3.8%	3.6%	3.0%	2.7%	2.8%
La Crosse County	3.9	3.6	2.9	2.6	2.8
State of Wisconsin	4.6	4.0	3.3	3.0	3.3

Source: State of Wisconsin Department of Workforce Development, <https://jobcenterofwisconsin.com/wisconomy/>. 2019 figures are preliminary.

Retail Sales and Effective Buying Income (EBI)

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>
2018/19	\$2,712,167	\$3,012,674	\$48,509
2017/18	2,644,457	2,904,556	45,383
2016/17	2,471,923	2,668,255	44,413
2015/16	3,455,298	2,589,305	44,087
2014/15	3,277,579	2,513,305	42,504

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>
2018/19	\$111,339,500	\$150,347,784	\$50,557
2017/18	106,044,949	143,819,924	48,805
2016/17	101,143,714	135,026,820	46,120
2015/16	83,555,016	93,924,753	43,153
2014/15	92,852,449	127,369,578	44,087

The 2018/19 Median Household EBI for the United States was \$52,468.

Sources: Environics Analytics, Claritas, Inc. and The Nielsen Company.

Building Permits

City of La Crosse

Year	<u>New Residential</u>	<u>Other Residential</u>	<u>Mercantile/ Manufacturing</u>	<u>Total Value</u>	<u>Total Permits</u>
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

* As of April 30, 2019.

Source: City of La Crosse Inspection Department.

City of Onalaska

<u>Year</u>	<u>Total Permits</u>	
	<u>Number</u>	<u>Valuation</u>
2019 (to 8-31)	216	\$25,388,461
2018	287	48,224,500
2017	305	33,246,287
2016	309	28,722,247
2015	372	54,829,139
2014	443	42,926,863

Source: City of Onalaska Inspection Department.

Village of Holmen

<u>Year</u>	<u>Total Permits</u>	
	<u>Number</u>	<u>Valuation</u>
2019 (to 8-31)	128	\$46,930,866
2018	129	18,486,995
2017	156	37,503,992
2016	128	26,080,430
2015	113	10,225,791
2014	111	10,790,402

Source: City of Holmen Inspection Department.

Village of West Salem

	<u>Total Permits</u>		<u>New Single Family Homes</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2019 (to 8-31)	66	\$ 2,332,571	1	\$ 300,000
2018	102	11,098,926	0	0
2017	117	24,394,795	5	1,290,000
2016	112	7,103,120	13	3,099,000
2015	116	23,402,380*	13	3,099,000
2014	101	7,696,832	9	2,363,220

* Includes a new nursing home with a value of \$15,100,000.

Source: Village of West Salem.

Financial Institutions*

The following full service banks are located in the County:

	<u>Deposits</u> <u>As of 6-30-19</u>
Coulee Bank (City of La Crosse)	\$ 304,225,000
State Bank Financial (City of La Crosse)	285,706,000
Citizens State Bank of La Crosse (City of La Crosse)	246,513,000
The First National Bank of Bangor (Village of Bangor)	143,430,000
Union State Bank of West Salem (Village of West Salem)	69,901,000
Park Bank (Village of Holmen)	<u>44,747,000</u>
Total	\$1,194,522,000

In addition, branch offices of Associated Bank, National Association; Bank of Galesville; BMO Harris Bank National Association; Bremer Bank, National Association; Merchants Bank, National Association; U.S. Bank National Association; and Wells Fargo Bank, National Association are located throughout the County.

* This does not purport to be a comprehensive list.

Source: Federal Deposit Insurance Corporation, <https://research.fdic.gov/bankfind/>.

Recent Development

Please visit the following website for economic development information related to the City of La Crosse: <http://www.cityoflacrosse.org/economicdevelopment>.

Health Care Services

Hospital and clinic care are provided by Gundersen Health System, a physician-led, not-for-profit healthcare system. Gundersen Health System has a teaching hospital with 325 beds in the City and a Level II Trauma Emergency Center. The hospital's Comprehensive Cancer Care Center provides cancer care in one location. Services within the six-story facility include a center for breast care, a neurosciences center, a vision center, and a plastic/cosmetic surgery unit with a six-room operating suite.

Mayo Clinic Health System – Franciscan Healthcare provides primary and specialty care throughout an 11-county region in Wisconsin, Minnesota, and Iowa. In addition to a full-service hospital and multi-specialty clinic, Mayo Clinic Health System – Franciscan Healthcare is home to many nationally recognized programs and centers of excellence, including: The Cancer Center; The Pelvic Health Clinic; The Family Birthplace; The Center for Breast Care; and The La Crosse-Mayo Family Medicine Residency.

Additional specialized health facilities are provided by the La Crosse Medical Health Science Consortium (the "Consortium"), which serves 20 counties throughout Wisconsin, Minnesota, and Iowa. Consortium members include the University of Wisconsin-La Crosse, Western Technical College, Viterbo University, Gundersen Health System, and the Mayo Clinic Health System – Franciscan Healthcare. The School District of La Crosse and the La Crosse County Health Department are also partners. The Consortium's primary contribution is its ability to offer a broad range of specialized training programs in the health care professions. It also provides services to improve literacy, disease prevention and wellness. The Consortium has a jointly owned and operated Health Science Center, which furnishes space for integrated allied health science programming and houses clinically-focused research in human physiology, microbiology, and rehabilitative services. The Consortium contributes significantly to the health care, higher educational, and economic wellbeing of the region.

The Hillview Health Care Center and the Lakeview Health Care Center are nursing homes owned and operated by La Crosse County. Also located in the City are Bethany St. Joseph Care Center, Bethany-Riverside, and Benedictine Manor.

Education

Public Education

The following school districts serve the residents of the County:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2018/19*</u> <u>Enrollment</u>
Bangor	Village of Bangor	PreK-12	588
Cashton	Village of Cashton	PreK-12	610
Holmen	Village of Holmen	PreK-12	3,994
La Crosse	City of La Crosse	PreK-12	6,637
Melrose-Mindoro	Village of Melrose	PreK-12	768
Onalaska	City of Onalaska	PreK-12	3,133
West Salem	Village of West Salem	PreK-12	1,797
Westby Area	City of Westby	PreK-12	1,102

* 2019/20 enrollment figures are not yet available.

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

Non-Public Education

County residents are also served by the following private schools:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>2018/19*</u> <u>Enrollment</u>
Hylandale Elementary	Village of Bangor	K-12	8
Saint Paul's Evangelical Lutheran	Village of Bangor	K4-8	48
Sandy Oak Amish School	Village of Bangor	1-8	23
Aquinas High	City of La Crosse	9-12	299
Aquinas Middle	City of La Crosse	7-8	141
Blessed Sacrament Elementary	City of La Crosse	3-6	210
Cathedral School	City of La Crosse	K4-2	162
Chileda	City of La Crosse	1-12	58
Faith Baptist School	City of La Crosse	2-12	15
First Evangelical Lutheran	City of La Crosse	K4-8	124
Immanuel Lutheran	City of La Crosse	K-8	56
Mount Calvary-Grace Lutheran	City of La Crosse	K4-8	77
Providence Academy	City of La Crosse	K4-12	88
Luther High	City of Onalaska	9-12	240
St. Patrick's Elementary	City of Onalaska	K4-6	185
Saint Paul's Evangelical Lutheran	City of Onalaska	K4-8	197
Christ St. John's Lutheran School	Village of West Salem	K4-8	91
Coulee Christian School	Village of West Salem	K4-12	128

* 2019/20 enrollment figures are 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 had a Fall 2018 enrollment headcount of 2,610 students (most recent information available).

The University of Wisconsin-La Crosse had a Fall 2018 headcount enrollment of 10,569 students (most recent information available).

GOVERNMENTAL ORGANIZATION AND SERVICES

Organization

La Crosse County has been a municipal corporation under the general laws of the State of Wisconsin since 1851. The governing body is the Board of Supervisors, consisting of 29 members elected to two-year terms of office. All terms expire April 2020. The current members of the Board of Supervisors (the “County Board”) are listed below:

Tara J. Johnson, Chair

Andrea Richmond	Patrick Scheller	Vicki Burke
Ralph Geary Jr.	Vacant	Patrick Barlow
Doug Weidenbach	Tina Tryggestad	Matt Nikolay
Maureen Freedland	Margaret Larson	Kevin Hoyer
Isaac Tahiri	Monica Kruse	Ray Ebert
Roger Plesha	Dan Ferries	Dan Hesse
Sharon Hampson	Mike Giese	Thomas Jacobs
Peggy A. Isola	Noelle Weber Strauss	Karen Keil-Arellano
Jerome Gundersen Jr.	Rick Cornforth	
Kim Cable	Steve Doyle	

The County Board serves as the legislative and policymaking body of the County. The County Board Chairperson, Ms. Tara J. Johnson, is responsible for providing the directives of the County Board to the appropriate officials and departments of the County. Ms. Johnson has been a County Board member since 2000 and was elected Chairperson in 2011.

The County's Administrator is Mr. Steven C. O'Malley, who has held this position since 2003. Mr. O'Malley was previously the Deputy City Manager of the City of Burnsville, Minnesota.

Ms. Sharon Davidson, the County's Auditor/Finance Director, has been employed by the County for 22 years, and has served as Auditor/Finance Director since 2014.

The County Clerk, Ms. Virginia Dankmeyer, is responsible for the official records of the County and is also Clerk to the County Board. Ms. Dankmeyer became the County Clerk in 2011. This position is elective and Ms. Dankmeyer's term expires in January 2021.

The County Treasurer, Ms. Amy Twitchell, is responsible for managing and investing the funds of the County. This position is also elective. Ms. Twitchell became the County Treasurer in 2018 through a County Board approved special election. Ms. Twitchell's term expires in January 2021.

Services

County services include the maintenance of public records, sheriff's department, highway department, health and human services, department of land conservation, court system, parks and solid waste management.

The County owns and operates two separate skilled care nursing facilities, consisting of the Hillview Health Care Center, located in the City of La Crosse; and the Lakeview Health Care Center, located in the Village of West Salem. The Lakeview campus includes a 50-bed nursing home, a 10-bed State-only licensed nursing home, three community-based residential facilities (CBRFs), and an adult family home. The County also owns and operates the Carroll Heights Apartments, an apartment complex for the aged and Hillview Terrace, an assisted living center.

Labor Contracts

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

<u>Bargaining Unit</u>	<u>No. of Employees^(a)</u>	<u>Expiration Date of Current Contract</u>
Clerical & Paraprofessional Employees Local 2484 ^(b)	236	December 31, 2019
Health & Human Services Professional Employees Local 2484 ^(b)	145	December 31, 2019
Highway Employees Local 227	50	December 31, 2019
Deputy Sheriff's	<u>28</u>	December 31, 2021
Subtotal	459	
Non-unionized employees	<u>825</u>	
Total employees	<u>1,284</u>	

(a) Other than for the Deputy Sheriff's bargaining unit, where employees are automatically in the union, the numbers are given as "eligible" employees, as the County does not track how many eligible employees are truly enrolled and paying dues in each bargaining unit.

(b) These bargaining units will no longer exist after December 31, 2019.

Employee Pensions

Substantially all employees of the County are participants in the State of Wisconsin Retirement System (WRS), 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 expected to be employed for at least one year from employee's date of hire are eligible to participate in the WRS.

Required contributions are determined by an annual actuarial valuation in accordance with Chapter 40 of the Wisconsin Statutes. The employee required contribution is one-half of the actuarially determined contribution rate for General category employees, including teachers, and Executives and Elected Officials. On January 1, 2016, the Executives and 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.

Contribution rates for the plan year reported as of December 31, 2018 were:

	<u>2018</u>	
	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

The County's contributions to WRS for the last four years is summarized below.

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required contribution	\$3,087,605	\$3,143,443	\$3,336,439	\$3,322,285
Contributions made in relation to the contractually required contributions	\$3,087,605	\$3,143,443	\$3,336,439	\$3,322,285
Contribution deficiency (excess)	-0-	-0-	-0-	-0-
Covered employee payroll	\$44,151,121	\$46,396,510	\$46,244,846	\$46,040,434
Contributions as a percentage of covered employee payroll	6.99%	6.78%	7.21%	7.22%

For more information regarding the liability of the County with respect to its employees, please reference "Note 11 – Employees' Retirement System" and "Required Supplementary Information" of the County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV to this Official Statement.

GASB 68

Government Accounting Standards Board (GASB) Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68) and related GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date—an amendment to GASB 68, revised existing standards for measuring and reporting pension liabilities for pension plans provided to County employees and require recognition of a liability equal to the County's proportionate share of net pension liability, which is measured as the total pension liability less the amount of the pension plan's fiduciary net position.

The County's proportionate shares of the pension costs and the County's net pension liability for WRS for the past four years are as follows:

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
County's proportion of the net pension liability (asset)	0.32118566%	0.32395964%	0.32709317%	0.33158404%
Proportionate share of the net pension liability (asset)	\$(7,889,198)	\$5,264,281	\$2,696,029	\$(9,845,123)
Covered payroll	\$43,309,654	\$44,149,162	\$46,396,510	\$46,244,846
Proportionate share of the net pension liability (asset) as a percentage of its covered employee payroll	(18.22%)	11.92%	5.81%	(21.29%)
Plan fiduciary net position as a percentage of the total pension liability	102.74%	98.20%	99.12%	102.93%

For more information regarding GASB 68 with respect to the County, please reference "Note 11 - Employees' Retirement System" and "Required Supplementary Information" of the County's Financial Statements for fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV of this Official Statement.

Additional and detailed information about the State of Wisconsin's net position is available in a separately issued financial report, which may be obtained at <http://legis.wisconsin.gov/lab>, report number 17-16.

Source: *The County's Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018.*

Other Postemployment Benefits

The Government Accounting Standards Board (GASB) has issued Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (GASB 75), establishing new accounting and financial reporting requirements related to post-employment healthcare and other non-pension benefits (referred to as Other Postemployment Benefits or “OPEB”). The County administers a single-employer defined benefit healthcare plan. The County provides post-retirement medical care benefits, in accordance with union contracts and the County’s personnel policy, to all retirees and their spouses who are eligible to receive the benefit. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a publicly available financial report. All employees are eligible based on the following criteria: (1) any current retiree who has applied for WRS annuity; (2) retirees who have 30 or more years of service. Upon retirement, eligible retirees may remain on the County’s group medical plan provided that the retiree self-pays the full (100%) required medical premium amount. The group medical plan covers both active and retired members. Eligible retirees will also receive 85% of their accumulated unused sick leave as a cash payment at retirement date. The County’s group health insurance plan provides coverage to active employees and retirees at blended premium rates. This results in an OPEB for the retirees, commonly referred to as an implicit rate subsidy.

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	39
Active plan members	<u>1,031</u>
Total	1,070

The County’s total OPEB liability of \$4,214,008 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date. The discount rate used to measure the total OPEB liability was 3.5%. The County’s schedule of changes in the total OPEB liability and related ratios for the fiscal year ended December 31, 2018 is as follows:

	<u>2018</u>
Beginning Balance	\$ 3,954,571
Service cost	327,164
Interest	140,492
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	-
Benefit payments	<u>(208,219)</u>
Net change in total OPEB liability	<u>\$ 259,437</u>
Ending Balance	<u>\$ 4,214,008</u>
Covered employee payroll	\$50,533,288
Total OPEB liability as a percentage of covered employee payroll	8.34%

For more information concerning the County’s OPEB obligations, please reference “Note 12 – Other Post Employment Benefits” and “Required Supplementary Information” of the County’s Comprehensive Annual Financial Report for the fiscal year ended December 31, 2018, an excerpt of which is included as Appendix IV to this Official Statement.

Sources: County’s Comprehensive Annual Financial Reports.

Major General Fund Revenue Sources

<u>Revenue</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Taxes	\$20,665,170	\$21,525,548	\$21,439,664	\$21,353,673	\$22,132,715
Intergovernmental revenue	6,674,713	6,853,787	7,007,877	7,880,095	6,883,694
Long-term debt issued	3,085,000	2,610,000	2,410,000	2,725,000	2,765,000
Public charges for services	2,321,574	3,088,906	2,954,356	2,658,196	2,735,080
Intergovernmental charges for services	1,486,690	1,595,980	1,636,970	1,669,860	1,833,460

Sources: County’s Comprehensive Annual Financial Reports.

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Summary of 2018 County Budget Compared to 2019 Budget – All Funds

COMPARISON OF BUDGETED EXPENSES AND BUDGETED REVENUES FOR 2018 AND 2019

Categories of Expenses	2018 Budgeted Expenses	% of Total	2019 Budgeted Expenses	% of Total
Health, Human Services, Welfare & Mental Health	\$58,863,391	36.29%	\$56,457,102	35.87%
Public Safety & Emergency Services	15,204,460	9.37%	15,527,290	9.87%
Public Works	14,711,385	9.07%	14,987,472	9.52%
Financial Administration	1,471,426	0.91%	1,425,124	0.91%
General Administration	3,896,319	2.40%	3,929,000	2.50%
Other General Government	1,419,762	0.88%	1,449,094	0.92%
Debt Service	6,086,872	3.75%	6,319,374	4.02%
Legislative, Judicial & Executive	3,762,139	2.32%	3,816,344	2.42%
Legal	1,631,626	1.01%	1,677,447	1.07%
Property Records & Control	479,479	0.30%	528,596	0.34%
Buildings	2,801,884	1.73%	3,874,578	2.46%
Cultural, Library & Recreation	3,028,454	1.87%	3,109,363	1.98%
Agriculture, Natural Resources & Economic Development	3,548,199	2.19%	3,666,533	2.33%
Miscellaneous Retirement Contributions & UC	1,260,361	0.78%	1,587,288	1.01%
TOTAL BUDGETED EXPENDITURES	\$118,165,757	72.85%	\$118,354,605	75.21%
Plus Enterprise Funds				
Carroll Heights Apartments	\$244,558	0.15%	\$246,547	0.16%
Hillview Assisted Living Facility	957,609	0.59%	955,300	0.61%
Hillview Nursing Home	15,690,808	9.67%	13,722,803	8.72%
Lakeview Agency Fund	7,148,065	4.41%	7,146,735	4.54%
Lakeview Capital Assets	294,403	0.18%	767,118	0.49%
Lakeview Other Entities	3,938,249	2.43%	4,150,142	2.64%
Household Hazardous Waste	496,363	0.31%	466,697	0.30%
Solid Waste Management	15,273,619	9.42%	11,565,946	7.35%
SUB-TOTAL BUDGETED EXPENDITURES ENTERPRISE FUNDS	\$44,043,674	27.15%	\$39,021,288	24.79%
GRAND TOTAL BUDGETED EXPENDITURES	\$162,209,431	100.00%	\$157,375,893	100.00%
Categories of Revenues	2018 Budgeted Revenues	% of Total	2018 Budgeted Revenues	% of Total
Revenues set by State	\$3,814,698	2.35%	\$3,268,376	2.08%
Revenues set by County	9,714,263	5.99%	9,345,548	5.94%
Revenues set by State & County	3,564,072	2.20%	4,896,367	3.11%
Property Taxes	34,171,629	21.07%	34,723,713	22.06%
State Forestry & Other Taxes	162	0.00%	0	0.00%
Sales Tax	11,950,000	7.37%	12,400,000	7.88%
Funded from Long-Term Borrowing	2,700,000	1.66%	2,450,000	1.56%
Intergovernmental - Federal & State	45,474,861	28.03%	48,317,167	30.70%
Intergovernmental - Non-Profit & Other	3,250	0.00%	0	0.00%
Interdepartmental	413,160	0.25%	364,800	0.23%
Prior Year Reserves & Fund Adjustments	6,359,662	3.92%	2,588,634	1.64%
TOTAL BUDGETED REVENUES	\$118,165,757	72.85%	\$118,354,605	75.21%
Plus Enterprise Funds				
Revenues set by State	\$5,869,145	3.62%	\$5,842,844	3.71%
Revenues set by County	27,675,789	17.06%	26,604,242	16.90%
Revenues set by State & County	7,053,208	4.35%	6,155,574	3.91%
Property Taxes	154,050	0.09%	160,911	0.10%
Intergovernmental - Federal & State	76,950	0.05%	75,150	0.05%
Funded from Long-Term Borrowing	0	0.00%	0	0.00%
Prior Year Reserves & Fund Adjustments	3,214,532	1.98%	182,567	0.12%
SUB-TOTAL BUDGETED REVENUES ENTERPRISE FUNDS	\$44,043,674	27.15%	\$39,021,288	24.79%
GRAND TOTAL BUDGETED REVENUES	\$162,209,431	100.00%	\$157,375,893	100.00%

Source: County's 2019 Budget.

PROPOSED FORM OF LEGAL OPINION

[TO BE DATED CLOSING DATE]

County of La Crosse, Wisconsin

Re: County of La Crosse, Wisconsin
\$_____ General Obligation Promissory Notes, Series 2019-A

Ladies and Gentlemen:

The General Obligation Promissory Notes, Series 2019-A (the “Notes”) of the County of La Crosse, Wisconsin (the “County”) are in fully registered form; are dated their date of issuance; are in denominations of \$5,000 each and integral multiples thereof; are appropriately lettered and numbered; mature on April 1 in the years and in the principal amounts set forth below; and bear interest payable on April 1 and October 1 of each year, commencing on April 1, 2020, at the interest rates per annum, as follows:

YEAR	PRINCIPAL AMOUNT	INTEREST RATE
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		

The Notes maturing on and after April 1, 20__, are subject to optional prepayment, as a whole or in part, on April 1, 20__, and on any date thereafter, at a prepayment price of 100% of the principal amount thereof being prepaid, plus accrued interest to the date fixed for prepayment.

We have examined the documents which we deem pertinent to the validity of the Notes, including the certified record evidencing the authorization of the Notes by the County Board of Supervisors of the County. On the basis of such examination we are of the opinion that the Notes have been lawfully authorized and issued under the laws of the State of Wisconsin; that they are the lawful and enforceable obligations of the County in accordance with their terms, except that the rights of the owners of the Notes and the enforceability of the Notes 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; that they are payable from taxes to be levied on all taxable property in the

County, without limitation as to rate or amount; and that the form of Note prescribed for said issue is proper.

Based upon our review of official certificates and proceedings submitted by the County, it is our opinion that, subject to the compliance by the County with certain covenants, under present law, interest on the Notes 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 alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the “Code”). Failure to comply with certain of such covenants of the County could cause the interest on the Notes to be includible in gross income for Federal income tax purposes retroactively to the date of issuance of the Notes. Ownership of the Notes 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 Notes.

It is also our opinion that the Notes are “qualified tax-exempt obligations” under Section 265(b)(3) of the Code.

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

In rendering this opinion, we have relied upon certifications of the County with respect to certain material facts solely within the knowledge of the County. 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.

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 County of La Crosse, Wisconsin (the “*Issuer*”) in connection with the issuance of \$_____ aggregate principal amount of General Obligation Promissory Notes, Series 2019-A (the “*Obligations*”). The Obligations are being issued pursuant to a resolution duly adopted by the County Board of Supervisors of the Issuer on November 4, 2019 (the “*Resolution*”).

In consideration of the issuance of the Obligations by the Issuer and the purchase of the Obligations 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 Obligations 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 Obligations at the time the Obligations 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 Obligations.

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 Issuer 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.

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

Reportable Event means the occurrence of any of the events set forth in *Exhibit II* attached to 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 Obligations are set forth in *Exhibit III* attached to and made a part of this Agreement. The Final Official Statement relating to the Obligations is dated November __, 2019 (the "*Final Official Statement*"). The Issuer will include the CUSIP Numbers in all disclosures described in Sections 4 and 5 of this Agreement.

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 (10) 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 the 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 an optional or unscheduled redemption or prepayment of any Obligations or defeasance of any Obligations need not be given under this Agreement any earlier than the notice (if any) of such redemption or prepayment or defeasance is given to the owners of the Obligations 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 Obligation 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 Obligations, 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 repayment of the Obligations under the Resolution. The Issuer shall give notice in a timely manner if this Section 8 is applicable to EMMA in a timely manner.

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 Obligations, 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.

COUNTY OF LA CROSSE, WISCONSIN

By _____
Finance Director

Date: _____, 2019

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 the Final Official Statement under the following captions: “COUNTY PROPERTY VALUES”; “COUNTY INDEBTEDNESS”; and “COUNTY TAX RATES, LEVIES AND COLLECTIONS”, exclusive of Audited 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, 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 September 30 of each year, commencing on September 30, 2020. 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, the audited Financial Statements will be submitted to EMMA within thirty (30) days after availability to the 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 OBLIGATIONS 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

* 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
GENERAL OBLIGATION PROMISSORY NOTES, SERIES 2019-A

YEAR OF MATURITY	CUSIP NUMBERS (502606)
2021	
2022	
2023	
2024	
2025	
2026	
2027	
2028	
2029	

WISCONSIN PROPERTY VALUATION AND TAX LEVIES**Assessed Value**

The "assessed value" of taxable property of a municipality is determined by the local assessor, who must be certified by the State Department of Revenue. The local assessor is required to use the property assessment manual provided by the Wisconsin Department of Revenue in estimating the "market value" of all taxable property. Property is valued as of January 1 of each year and filed with the municipality by the local assessor by the second Monday in May. Municipalities use assessed value as the basis for determining mill rates.

Equalized Value

The State Department of Revenue is required, under Section 70.57 of the Wisconsin Statutes, to determine the equalized value of all taxable property in each county and taxation district. This "equalized value," also called the "full assessment value" or the "aggregate full value," equalizes the various local assessments for uniformity of property values throughout the State. Equalized value is based on several economic factors, including past sales studies from which the State Department of Revenue calculates a percentage that, when applied to the assessed value, produces a value that most closely approximates the full market value of each county and taxation district. This State Department of Revenue shall notify each county and taxation district of its equalized value on August 15; with school districts being notified on October 15.

At least once every five years, all municipalities must assess taxable property at a minimum of 90% of State equalized values.

Governmental units encompassing more than one municipality, such as a county or school district, use the equalized or full value of the underlying units in levying their taxes.

Tax Levies and Collections

Personal property taxes, special assessments, special charges and special taxes must be paid to the municipal treasurer in full by January 31. Real property taxes and personal property on leased lands must be paid in full by January 31 or in two equal installments by January 31 and July 31. Alternatively, municipalities may adopt a payment plan that permits real property taxes to be paid in three or more equal installments, provided that the first installment is paid by January 31, one-half of the taxes are paid by April 30 and the remainder is paid by July 31. Amounts paid on or before January 31 are paid to the municipal treasurer. Amounts paid after January 31 are paid to the county treasurer unless the municipality has authorized payment in three or more installments in which case all payments are made to the municipal treasurer. Any amounts paid after July 31 are paid to the county treasurer. On or before January 15 and February 20 the municipal treasurer settles with other taxing jurisdictions for all collections through December and January, respectively. In municipalities that have authorized the payment of real property taxes in three or more installments, the municipal treasurer settles on February 20 and additionally settles with the other taxing jurisdictions on the fifteenth day of each month following the month in which an installment payment is required. The county treasurer must settle in full with the underlying taxing jurisdictions for all real property taxes and special taxes. Settlement must occur on or before August 20. Any county board may authorize its county treasurer to also settle in full with the underlying taxing districts for all special assessments and special charges. The county may recover any tax delinquencies by enforcing the delinquency lien on the property and retain any penalties or interest on the delinquencies for which it has settled.

EXCERPT OF 2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

Baker Tilly Virchow Krause, LLP, a separate division of the Municipal Advisor, performed the independent audit of the financial statements of the County for the year ended December 31, 2018.

Data on the following pages was extracted from the County's Comprehensive Annual Financial Report for fiscal year ended December 31, 2018. The reader should be aware that the complete financial statements may contain additional information which may interpret, explain or modify the data presented here.

The County's comprehensive annual financial reports for the years ending 2005 through 2017 were awarded the Certificate of Achievement for Excellence in Financial Reporting by the Government Finance Officers Association of the United States and Canada (GFOA). The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting. The County has submitted its Comprehensive Annual Financial Report for the 2018 fiscal year to GFOA.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, whose contents conform to program standards. Such Comprehensive Annual Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only.

INDEPENDENT AUDITORS' REPORT

To the County Board of Supervisors
La Crosse County
La Crosse, Wisconsin

Report on the Financial Statements

We have audited the accompanying 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 La Crosse County, Wisconsin as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise La Crosse County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of La Crosse County as of December 31, 2018 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 19, La Crosse County adopted the provisions of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, effective January 1, 2018. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Crosse County's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is 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. The 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 supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise La Crosse County's basic financial statements. The introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we will issue a report on our consideration of La Crosse County'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 La Crosse County's 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 La Crosse County's internal control over financial reporting and compliance.

Baker Tilly Veitch Krause, LLP

Madison, Wisconsin
June 26, 2019

LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)

December 31, 2018

As management of the County of La Crosse, we offer readers of the County of La Crosse's financial statements this narrative overview and analysis of the financial activities of the County of La Crosse for the year ended December 31, 2018. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the County's financial statements, which follow this narrative. We note that certain amounts in the prior year comparatives below have been reclassified to conform to the current year's presentation. In addition, prior year balances were adjusted for the implementation of GASB Statement No 75, effective January 1, 2018.

FINANCIAL HIGHLIGHTS

- The assets/deferred outflows of resources of the County of La Crosse exceeded its liabilities/deferred inflows of resources at the close of the current year by \$172,463,152 (net position). Of this amount, \$51,204,956 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, \$21,655,076 is restricted for specific purposes (restricted net position), and \$99,603,120 is the net investment in capital assets.
- The County's total net position increased by \$11,607,520. Governmental activities increased the County's net position by \$8,459,993 and business-type activities increased by \$3,147,527.
- As of the close of the current year, the County of La Crosse's governmental funds reported combined ending fund balances of \$44,014,045, an increase of \$5,505,768 from 2017. Approximately 47.1% of the combined fund balances, or \$20,710,833 is available for spending at the County's discretion (unassigned fund balance).
- At the close of the current year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$27,696,700 or 79.2% of the total general fund expenditures. Unassigned fund balance for the general fund was \$20,710,833 or 59.2% of the total general fund expenditures, which is higher than the percentage required by County Ordinance of 25-50%.
- The business-type activities enterprise funds reported combined net position of \$24,850,192 at December 31, an increase of \$2,774,084 from the prior year. Internal service funds reported net position of \$86,439,361 at year end, a decrease of \$213,532 in comparison with the prior year. This decrease is the net of a prior year adjustment for the implementation of GASB Statement No 75 of (\$1,951,723) and the change in net position of \$1,738,191. Of the total proprietary fund net position of \$111,289,553, \$86,623,288 is invested in capital assets, \$3,377,635 is restricted, and \$21,288,630 is unrestricted.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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Government-Wide Financial Statements are designed to provide readers with a broad overview of the County's financial statements, in a manner similar to a private-sector business.

- The statement of net position presents information of all County assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.
- The statement of activities presents information showing how 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 result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but unused, vacation leave).

Both of these government-wide financial statements distinguish functions of the County 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 governmental activities of the County include: general government; public safety; public works; health and human services; culture, recreation and education; and conservation and development. The business-type activities of the County include: Hillview Health Care Center, Lakeview Nursing Home Facility, Solid Waste, Carroll Heights Apartments, Hillview Terrace, Regent Manor, Monarch Manor, Neshonoc Manor, Ravenwood, Maplewood, and Household Hazardous Materials.

The government-wide financial statements include not only the County of La Crosse itself (known as the primary government), but also the Mississippi Valley Health Services Commission which is a separate legal entity for which the County of La Crosse is financially accountable. Financial information for this component unit is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found on pages 47-49 of this report.

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal requirements. All of the funds of the County can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a county's near-term financial requirements.

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Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 11 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Human Services Fund, Business Fund, and Debt Service Fund, all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 50-53 of this report.

- Proprietary funds are maintained two ways. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The County uses enterprise funds to account for the nursing homes, elderly apartments and assisted living facility, adult family homes, solid waste, and household hazardous waste facilities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the County's various functions. The County uses internal service funds to account for highway operations, health insurance, liability insurance, and workers compensation insurance. Because these services benefit both governmental and business-type functions, they have been split between governmental activities and business-type activities in the government-wide financial statements.

Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. Hillview Health Care Center, Solid Waste and Lakeview Nursing Home Facility are considered to be major enterprise funds of the County. The County's four internal service funds are combined into a single aggregated presentation in the proprietary funds financial statements. Individual fund data for the nonmajor enterprise funds and the internal service funds is provided in the form of combining statements elsewhere in this report.

The proprietary funds financial statements can be found on pages 54-59 of this report.

- Agency funds are used to account for resources held for the benefit of parties outside the government. Agency funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the County's own programs. The accounting used for agency funds is much like that used for proprietary funds.

The agency funds financial statement can be found on page 60 of this report.

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Notes to the Basic Financial Statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 65-105 of this report.

Required Supplementary Information is presented for the budgetary schedules of the General Fund and the major special revenue funds, schedule of changes in the total other postemployment benefit (OPEB) liability, WRS proportionate share of the net pension liability (asset), and WRS schedule of employer contributions. This information can be found on pages 109-115 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. For the County, assets and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$172,463,152 at the close of the most recent fiscal year. A comparative Statement of Net Position for 2018 and 2017 is below with the total percentage change.

	Governmental activities		Business-type activities		Total		Total % Change
	2018	2017	2018	2017	2018	2017	
Current and other assets	\$ 122,070,405	\$ 106,158,395	\$ 28,718,828	\$ 25,873,539	\$ 150,789,233	\$ 132,031,934	14.21%
Capital assets	140,914,926	141,559,523	38,931,379	38,549,932	179,846,305	180,109,455	-0.15%
Total Assets	262,985,331	247,717,918	67,650,207	64,423,471	330,635,538	312,141,389	5.92%
Deferred outflows of resources	14,059,913	15,779,857	6,497,244	7,796,682	20,557,157	23,576,539	-12.81%
Current and other liabilities	13,036,935	14,031,970	3,181,500	3,592,833	16,218,435	17,624,803	-7.98%
Long-term liabilities	69,461,052	71,146,396	38,464,927	41,515,900	107,925,979	112,662,296	-4.20%
Total Liabilities	82,497,987	85,178,366	41,646,427	45,108,733	124,144,414	130,287,099	-4.71%
Deferred inflows of resources	50,359,359	40,639,781	4,225,770	1,983,693	54,585,129	42,623,474	28.06%
Net position:							
Net investment in capital assets	86,110,257	84,270,778	13,492,863	11,935,162	99,603,120	96,205,940	3.53%
Restricted net position	18,883,813	8,763,343	2,771,263	1,359,646	21,655,076	10,122,989	113.92%
Unrestricted net position	39,193,828	42,693,784	12,011,128	11,832,919	51,204,956	54,526,703	-6.09%
Total Net Position	\$ 144,187,898	\$ 135,727,905	\$ 28,275,254	\$ 25,127,727	\$ 172,463,152	\$ 160,855,632	7.22%

The largest portion of the County's net position (57.8%) reflects its investment in capital assets (e.g. land and easements, structures and improvements, infrastructure, and equipment) less any related debt used to acquire those assets that is still outstanding. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

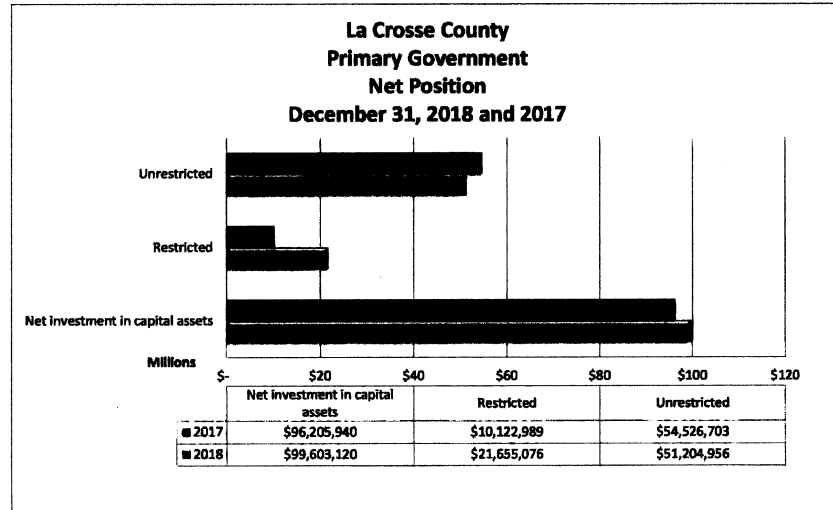
Unrestricted net position comprises 29.7% of the County's net position. These items may be used to meet the County's ongoing obligations to citizens and creditors.

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The remaining balance of the County's net position, 12.5%, represents resources that are subject to external restrictions on how they may be used.

At the end of the current fiscal year, the County reported positive balances in all three categories of net position, both for the County as a whole, as well as for its separate governmental activities.



The County's net position increased \$11,607,520 during the current year. Total revenues for the year were \$143,767,592, and expenses were \$132,160,072. Overall, revenues increased by \$5,651,350 from the prior year, while expenses decreased by \$7,647,585. The table and the narrative that follow consider the operations of governmental and business-type activities separately.

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Governmental Activities

Governmental activities increased the County's net position by \$8,459,993. This increase largely reflects the following items:

- Intergovernmental revenues increased by \$3,531,149 over the prior year due to additional revenues within the Human Services Fund. Approximately \$2.2 million in additional Wisconsin Income Maintenance Cost Report (WIMCR) funds from the State of Wisconsin were received in 2018 for the years 2016 and 2017 as the result of an audit by the State. Also for 2018, an estimated receivable for 2018 WIMCR funds in the amount of \$1.2 million is included within the governmental activities. The Western Region Economic Assistance (WREA) consortium within the Human Services Fund received excess federal funding grants of \$827,393 which are restricted for that program to be used in future years.
- Health and human services expenses decreased by approximately \$3 million. Out of home placement costs decreased by over \$640,000 from the prior year. Also, there was over \$1 million in planned budget savings as the result of cost saving measures implemented by the Human Services management team after many hours of meetings and a review of the 2017 financial statements. County administration has been working closely with Human Services management to ensure that programs and services are managed within resource limits.
- Property taxes for the governmental activities increased \$671,128. Debt service property taxes increased by \$113,915. Human Services property taxes increased by \$294,292, while Highway decreased by \$135,431. General Fund property taxes increased by \$290,022.
- Capital grants and contributions for public works decreased by \$2,288,401 from the previous year. This was because the only major project that was done in 2018 (County Highway C) was not eligible for this type of funding. Revenue for this project was received in 2017 as a one-time payment of \$4.7 million from the State of Wisconsin and was classified as an operating grant.
- Conservation and development expenses decreased \$1,663,365 from 2017. This was largely due to a one-time payment to the City of La Crosse of \$1,003,448 as a contribution for the new downtown parking ramp in 2017, and was not a recurring expense in 2018.
- Investment earnings and interest on delinquent taxes increased by \$259,294 from the previous year. This is due to higher interest rates overall on investments as well as shifts in the investment mix.
- Sales tax revenues increased \$480,489 over the prior year. The local economy remains strong, even as there is concern over the continued closure of major retail stores in the County.
- The County sold a parcel of land on Highway 16 near the landfill to the City of La Crosse for \$1,375,000, which resulted in a gain on sale of \$1 million. Proceeds from this sale are being used for the Neighborhood Revitalization projects.

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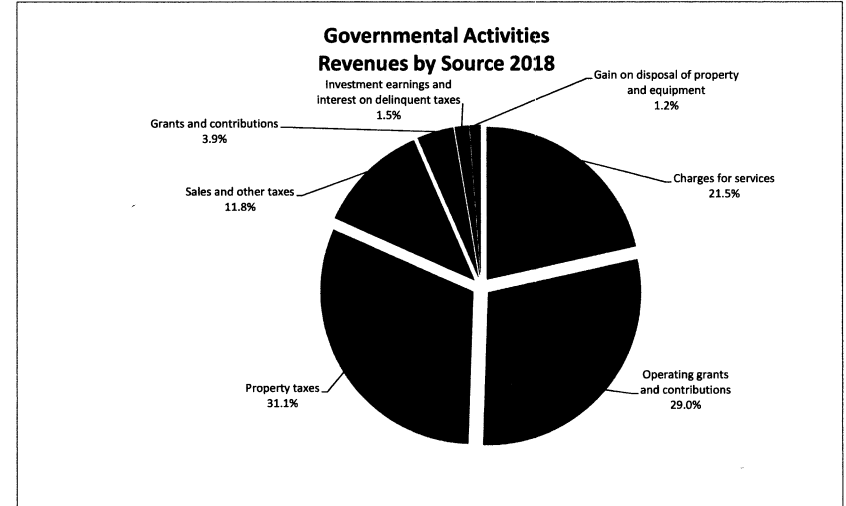
The following table compares 2018 and 2017.

	Statement of Activities						Total % Change
	Governmental activities		Business-type activities		Total		
	2018	2017	2018	2017	2018	2017	
Revenues:							
Program revenues:							
Charges for services	\$ 23,589,871	\$ 23,031,726	\$ 30,520,617	\$ 32,309,247	\$ 54,110,488	\$ 55,340,973	-2.22%
Operating grants and contributions	31,861,104	26,635,080	3,195,885	1,787,887	35,056,989	28,422,967	23.34%
Capital grants and contributions	-	2,288,401	-	-	-	2,288,401	-100.00%
General revenues:							
Property taxes	34,171,629	33,500,591	154,050	146,363	34,325,679	33,646,864	2.02%
Sales taxes	12,927,849	12,447,360	-	-	12,927,849	12,447,360	3.86%
Other taxes	53,290	23,137	-	-	53,290	23,137	130.32%
Grants and contributions, not restricted to specific programs	4,236,691	4,227,260	-	-	4,236,691	4,227,260	0.22%
Investment earnings and interest on delinquent taxes	1,608,276	1,348,982	165,192	75,225	1,773,468	1,424,207	24.52%
Gain on disposal of property and equipment	1,274,213	292,726	8,925	2,347	1,283,138	295,073	334.85%
Total revenues	109,722,923	103,795,173	34,044,669	34,321,069	143,767,592	138,116,242	4.09%
Expenses:							
General government	11,324,080	10,503,901	-	-	11,324,080	10,503,901	7.81%
Public safety	19,266,507	18,921,591	-	-	19,266,507	18,921,591	1.82%
Public works	11,318,173	12,354,525	-	-	11,318,173	12,354,525	-8.39%
Health and human services	51,053,092	53,978,318	-	-	51,053,092	53,978,318	-5.42%
Culture, recreation and education	3,357,778	3,456,445	-	-	3,357,778	3,456,445	-2.85%
Conservation and development	3,289,331	4,952,696	-	-	3,289,331	4,952,696	-33.59%
Interest on long-term debt	1,623,021	2,062,260	-	-	1,623,021	2,062,260	-21.30%
Hillview Health Care Center	-	-	13,947,038	16,081,900	13,947,038	16,081,900	-13.27%
Lakeview Nursing Home Facility	-	-	1,093,519	1,486,751	1,093,519	1,486,751	-26.45%
Solid Waste	-	-	10,169,621	9,813,787	10,169,621	9,813,787	3.63%
Apartments and assisted living facilities	-	-	5,274,818	5,710,099	5,274,818	5,710,099	-7.62%
Household hazardous waste disposal services	-	-	443,094	485,384	443,094	485,384	-8.71%
Total expenses	101,231,982	106,229,736	30,928,090	33,577,921	132,160,072	139,807,657	-5.47%
Excess (deficiency) before transfers	8,490,941	(2,434,563)	3,116,579	743,148	11,607,520	(1,691,415)	-786.26%
Transfers	(30,948)	(82,150)	30,948	82,150	-	-	-
Change in net position	8,459,993	(2,516,713)	3,147,527	825,298	11,607,520	(1,691,415)	-786.26%
Net position, beginning of year (as restated)	135,727,905	140,196,341	25,127,727	24,302,429	160,855,632	164,498,770	-2.21%
Net position, end of year	\$ 144,187,898	\$ 137,679,628	\$ 28,275,254	\$ 25,127,727	\$ 172,463,152	\$ 162,807,355	5.93%

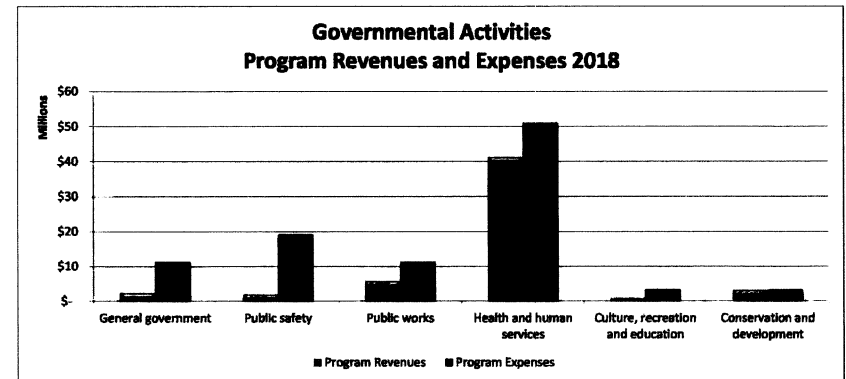
Revenues for the County's governmental activities total \$109,722,923, with property taxes and operating grants and contributions accounting for 60.2% of total revenues.

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Governmental activities expenses total \$101,231,982, exceeding program revenue by \$45,781,007, as the following graph displays. Governmental activities expenses decreased by \$4,997,754 from the prior year. When general revenues (which include such items as property taxes, investment earnings and interest on delinquent taxes, sales and other taxes, grants and contributions not restricted to specific programs, and gain on disposal of property and equipment) are included, total revenues exceed expenses by \$8,490,941.



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Business-Type Activities

Business-type activities for the current year increased net position by \$3,147,527. The Solid Waste department experienced an increase in net position of \$1,928,558 before internal service fund allocations. Construction of the final planned cell was completed in 2018, which added over 960,000 cubic yards of space to the landfill. This estimates the remaining site life to be 13-15 years. Because of the new volume added and a new survey being done of the volume remaining, there was a positive adjustment of \$1,044,022 for the long-term care cost of the sanitary landfill. Depreciation expense for the landfill is also calculated based on volume filled, and because of the new cell construction and new survey, depreciation expense for the landfill was \$134,007 less than 2017 and \$718,970 less than the 2016 year. Also during 2018, four acres of the sanitary landfill site were closed, costing \$837,247. These closure costs include a composite liner system comprised of two feet of compacted clay and a geomembrane overlain with a synthetic geo-composite drainage layer, covered by rooting zone and topsoil.

The Hillview Health Care Center had an increase in net position before internal service fund allocations of \$388,912, while the Lakeview Campus entities had a combined increase in net position before internal service fund allocations of \$336,431. Included in Hillview's income is a one-time payment from the State of Wisconsin in the amount of \$1,319,145 for CPE (Certified Public Expenditure). Without this payment, Hillview would have incurred a loss of \$930,233. Also, the census numbers for Hillview continue to decline, and management is working to find ways to save on costs between both health care centers. Finding quality staff to work in the health care field continues to be difficult, considering the low unemployment rate within the region. The focus continues to be on offering the best care for patients at a reasonable cost, considering the reimbursements from Medicare and Medicaid do not cover the cost of care.

Internal service fund allocations to the business-type activities increased their net position by \$373,443, with \$338,698 coming from the Health Self Insurance Fund and \$34,745 coming from the Liability Self Insurance Fund.

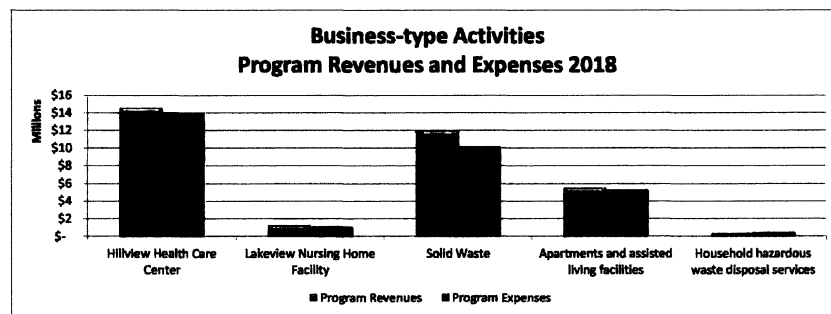
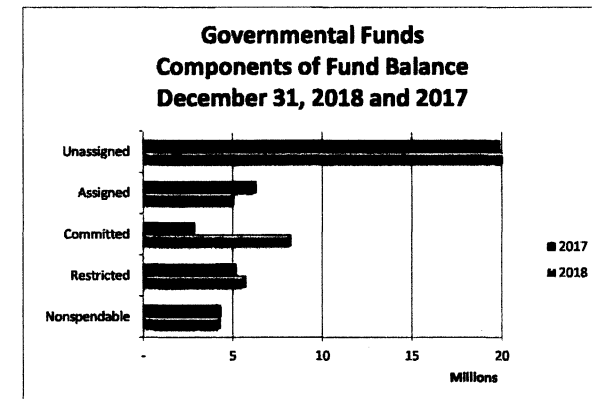
FINANCIAL ANALYSIS OF THE COUNTY'S FUNDS

As noted earlier, the County uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds: The general government functions are contained in the General, Special Revenue, Debt Service, and Capital Project funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the County's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the County Board itself, or the Executive Committee, who has the authority to assign resources for use for particular purposes.

At December 31, the County's governmental funds reported combined fund balances of \$44,014,045, an increase of \$5,505,768 in comparison with the prior year. Unassigned fund balance of \$20,710,833 is available for spending at the County's discretion. The remainder of fund balance is either nonspendable, restricted, committed, or assigned. The nonspendable fund balance of \$4,278,320 consists of amounts set aside for inventories and prepaids, advances to other funds, and delinquent property taxes. Restricted fund balance of \$5,718,621 consists of amounts legally required to be expended for specified purposes. Committed fund balance of \$8,260,781, consists of amounts the County Board committed for particular purposes including: General Fund reserves for park improvements, Lake Neshonoc improvements, Lakeview improvements, Harbor Commission activities, Neighborhood Revitalization programs, Collaborative to End Homelessness program, and unspent balances within each Special Revenue Fund. Assigned fund balance of \$5,045,490, consists of Park Plaza proceeds, purchase orders, carryforwards, and amounts appropriated from fund balance as part of the budget process.

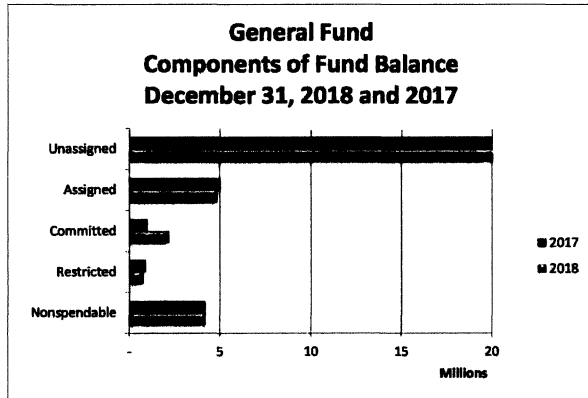
The following chart compares the components of fund balance for the governmental funds for 2018 and 2017.



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The following chart compares the components of fund balance specifically for the General Fund for 2018 and 2017.



The General Fund is the main operating fund of the County. As a measure of the General Fund's ability to pay off short-term debt obligations, known as liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. As of December 31, unassigned fund balance of the General Fund was \$20,710,833, while total fund balance was \$32,628,826. Unassigned fund balance represents 59.2% of total General Fund expenditures, while total fund balance represents 93.3% of total General Fund expenditures. In relation to General Fund revenues, unassigned fund balance represents 58.8% of total General Fund revenues. These ratios show that the County is in a good position to meet any upcoming obligations.

	2018		
	General Fund	Percentage of Expenditures	Percentage of Revenue
Total revenues	\$35,245,608	100.8%	-
Total expenditures	34,974,286	-	99.2%
Unassigned fund balance	20,710,833	59.2%	58.8%
Total fund balances	32,628,826	93.3%	92.6%

County policy requires the ratio of unassigned General Fund balance to total operating expenditures to be 25-50%. As of December 31, the ratio is 59.2%. County policy limits the use of unassigned fund balance to funding of capital expenditures, prepayment of outstanding debt, start-up costs of new programs, other non-recurring expenditures, or emergencies.

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During the fiscal year, the fund balance of the County's General Fund increased by \$1,681,808. Key factors contributing to this increase are as follows:

- The original budget for the general fund projected a deficit of \$2,054,888 after transfers to other funds totaling \$2,716,415. The actual increase for the general fund was \$1,681,808, which was more than projected in the final budget by \$7,197,831. These variances are explained in the General Fund Budgetary Highlights.
- The General Fund realized \$5,570,718 in total expenditures under final budget. Significant expenditure variances are explained in the General Fund Budgetary Highlights.

The County's Human Services Fund, a major fund, has a total fund balance of \$6,646,729, an increase of \$3,816,100 from the prior year. Of this fund balance, \$9,061 was nonspendable for prepayments; \$1,990,525 was restricted for the Western Region for Economic Assistance (WREA) Consortium and elderly transportation programs; \$4,554,110 was committed for elderly programs and human services programs; and \$93,033 was assigned for Human Services programs. The increase in fund balance was mainly due to additional WIMCR funds of approximately \$2.2 million that were received in 2018 as the result of an audit by the State of Wisconsin for 2016 and 2017. Out of home placement costs for children decreased by over \$640,000 from the prior year as the result of implementing multi-disciplinary permanency review meetings to increase effectiveness at stabilizing families. The WREA consortium received excess federal funding grants of \$827,393, which are restricted for that program to be used in future years. Also, there was over \$1 million in planned budget savings as the result of cost saving measures implemented by the Human Services management team across all divisions after many hours of meetings and a review of the 2017 financial statements.

The Business Fund, a major fund, had a fund balance of \$974,164, which was an increase of \$131,749 from the prior year. Two parcels of land were sold for \$168,000, while \$23,506 was budgeted. This accounted for the increase in fund balance.

The County's Debt Service Fund, a major fund, had a fund balance of \$418,539 at December 31, which was a decrease of \$306,603. This decrease was due to the planned use of \$304,029 of premiums received from bonds issued in 2015, 2016, and 2017. These premiums are applied toward interest payments over a three year period until the funds are depleted.

Additionally, the County has strategically worked to limit the use of fund balance for capital items. The budgeted use of unassigned fund balance is shown below. For 2019, \$1,818,830 of the budgeted unassigned fund balance usage is for the following projects: 911 radio system upgrade, continued implementation of a timekeeping system, facilities, parks, and sheriff department capital, economic development, and other smaller projects that are not recurring.

	Budgeted Usage of Unassigned General Fund Balance
2017	2,436,771
2018	1,890,520
2019	1,818,830

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The following schedules present a summary of General, Special Revenue, Debt Service, and Capital Projects funds revenues and expenditures for the current year ended and the amount and percentage of increases and decreases in relation to the prior year.

Resources by Source Governmental Funds				
	2018		Increase (Decrease) from prior year	
	Amount	Percent of Total	Amount	Percent
Taxes (property and other)	\$ 44,516,441	44.59%	\$ 1,295,579	3.00%
Intergovernmental revenues	32,712,538	32.77%	3,531,149	12.10%
Licenses and permits	979,748	0.98%	(23,921)	-2.38%
Fines, forfeits and penalties	340,756	0.34%	(27,692)	-7.52%
Public charges for services	15,006,100	15.03%	504,141	3.48%
Intergovernmental charges for services	4,102,688	4.11%	449,579	12.31%
Miscellaneous revenues	2,172,325	2.18%	(205,851)	-8.66%
	<u>\$ 99,830,596</u>	100.00%	<u>\$ 5,522,984</u>	

Governmental tax revenues increased \$1,295,579. The General Fund increased property taxes by \$290,022, while the Human Services Fund increased property taxes by \$294,292, and Debt Service property taxes increased by \$113,915. Sales tax revenue increased by \$480,489 from the previous year.

Intergovernmental revenues increased by \$3,531,149. As explained earlier, this was mainly due to additional WIMCR funds of approximately \$2.2 million that were received in 2018. The WREA consortium received excess federal funding grants of \$827,393, which are restricted for that program to be used in future years. Revenues that were received in 2017 but not in 2018 included a \$462,713 Harbor Commission grant and the Badger Coulee funding of \$447,043.

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

Expenditures by Function Governmental Funds				
	2018		Increase (Decrease) from prior year	
	Amount	Percent of Total	Amount	Percent
General Government	\$ 11,877,554	12.38%	\$ 869,660	7.90%
Public Safety	17,568,988	18.31%	319,691	1.85%
Public Works	26,360	0.03%	(32,954)	-55.56%
Health and Human Services	50,496,463	52.63%	(1,493,598)	-2.87%
Culture, Recreation and Education	3,101,429	3.23%	(172,316)	-5.26%
Conservation and Development	4,949,617	5.16%	(73,505)	-1.46%
Miscellaneous	47,072	0.05%	(29,589)	-38.60%
Debt Service	6,385,475	6.66%	(14,011,354)	-68.69%
Capital Outlay	1,485,990	1.55%	(1,044,587)	-41.28%
	<u>\$ 95,938,948</u>	100.00%	<u>\$ (15,668,552)</u>	

Total governmental fund expenditures decreased by \$15,668,552 from 2017.

Human Services expenditures decreased by \$1,493,598. Out of home placement costs for children decreased by over \$640,000 from the prior year as the result of implementing multi-disciplinary permanency review meetings to increase effectiveness at stabilizing families. Also, there was over \$1 million in planned budget savings as the result of cost saving measures implemented by the Human Services management team across all divisions after many hours of meetings and a review of the 2017 financial statements.

Debt Service expenditures decreased by \$14,011,354. There was an increase in expenditures in 2017 of \$13,710,097 for principal and interest payments because of the payoff of the 2009A bond issue from the escrow account. The 2018 debt service expenditures of \$6,385,475 were the normal interest and principal payments with no refunding amounts included.

Capital outlay expenditures decreased by \$1,044,587. This was due to the near completion of the Downtown Campus Project, which consisted of the remaining expenditures for the addition to the Health and Human Services building and the new Administrative Center. The 2017 expenditures for this project were \$959,837, while the 2018 expenditures were \$285,133. There is a remaining fund balance in the Downtown Campus Fund of \$175,781, which is expected to be spent on a few outstanding projects. This fund is expected to be closed out in 2019.

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

Proprietary Funds: The County's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The following table details the net position of the County's enterprise funds at December 31:

	2018	2017
Hillview Health Care Center	\$ 6,218,337	\$ 5,829,425
Lakeview Nursing Home Facility Fund	1,391,057	1,188,506
Solid Waste	11,456,928	9,528,370
Apartments and assisted living facilities	4,969,504	4,766,246
Household hazardous waste disposal services	814,366	763,561
Totals	\$ 24,850,192	\$ 22,076,108

As of December 31, the County's enterprise funds reported combined net position of \$24,850,192. Of that amount, \$13,492,863, or 54.3%, represents the net investment in capital assets, \$2,063,291, or 8.3%, reflects the net pension asset discussed in Note 11, and \$707,972, or 2.8%, reflects the premium amount received in the 2017A borrowing for the Lakeview Facility Fund, and is restricted for future interest payments. The remaining amount of \$8,586,066 is unrestricted and available for spending in accordance with the needs of the County in these funds.

Other factors concerning the finances of these funds have already been addressed in the discussion of the County's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and final amended budget was a result of \$4,939,678 of increases in expenditures due to carryforwards and open purchase orders from fiscal year 2017 to 2018, and adjustments throughout the year because of new grants.

Differences between final amended budget and the actual revenues and expenses resulted in a \$6,870,353 positive variance in the General Fund before other financing sources and uses. The major reasons for the variance are as follows:

Revenues:

- Taxes
 - Property taxes increased by \$290,022 for the General Fund from the previous year. Sales tax revenue increased \$480,489 from the previous year and was \$977,849 higher than budget. The La Crosse area continues to be a regional shopping and tourist destination.

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

- Intergovernmental Revenues:
 - State Aid Land Conservation was less than budget by \$104,909. This was due to the LWRMP Implementation grant that is explained in the expenditure section of Conservation and Development.
- Public Charges for Services
 - Register of Deeds fees were \$74,123 higher than budgeted, as home sales continued to be strong in La Crosse County, despite low inventories. Relatively low interest rates for home mortgages helped contribute to the strong housing market.
 - The County budgeted \$20,000 for timber sales from the County forests; however, because prices were low, no timber was sold in 2018.
- Miscellaneous Revenues
 - Investment earnings increased by \$257,792 from the previous year and were \$214,124 higher than the adjusted budget. This was due to slightly higher interest rates and changes in the investment mix.
- Other Financing Sources
 - A plot of land adjacent to the County landfill, known as the "Schroeder Property", was sold to the City of La Crosse in 2018. This was originally planned to be sold in 2016, but was delayed. The proceeds of the sale are being used to fund the Neighborhood Revitalization project in two areas of the City of La Crosse.

Expenditures:

- General Government
 - County Board expenditures were less than budget by \$69,480. This was due to savings in voter education of \$19,070, advertising and promotion of \$22,077, and special projects of \$18,832. The unused amounts for advertising and promotion, and for special projects were carried forward to 2019.
 - The Clerk of Courts expenditures were \$97,583 less than budgeted. Salary and fringe savings of \$108,575 were due to 2.5 positions that were not filled due to the change in processing of paper filings to e-filing.
 - Medical Examiner was over budget by \$68,544. This was due to an increased caseload, resulting in salary and fringes being over budget by \$39,774 and autopsies over budget by \$32,821.
 - Information Technology expenditures were less than budget by \$142,997. Savings of \$155,512 was in the budget line for software licensing. \$87,000 of this amount was carried forward to 2019 to continue the rollout of Microsoft Office 365.
 - Insurance was over budget by \$304,072 due to unforeseen worker's comp claims in the Sheriff and Emergency Services departments.
 - The Finance Department had salary and fringe savings of \$80,546. A clerk position was vacated during 2018 and not refilled, and a part-time senior accountant position that was not filled was eliminated in the 2019 budget.
 - The Human Resources budget had savings of \$74,358 in expenditures, mainly due to the delay of the pay study for salaried positions until 2019. \$59,974 was carried forward for this study, which should become effective for the 2021 budget year.

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

- **Public Safety**
 - Central dispatch expenditures were less than budget by \$125,177. This was due to salary and fringe savings of \$82,578 as positions were vacant for part of the year, along with savings in communications maintenance of \$24,839.
 - Jail and court services expenditures were also less than budget by \$199,593. \$137,478 of this amount was due to savings in health insurance. As positions in the jail have been filled due to retirements or terms, newer employees may be choosing the single plan instead of family, or sometimes no insurance if they are young enough to be on the parents' plans. Also, \$50,000 had been budgeted for prisoner board expense in case the jail was over capacity and would need to house prisoners in other counties. None of this was spent in 2018.
- **Health and Human Services**
 - The budget line for the Collaborative to End Homelessness was under budget by \$461,459. \$50,000 of the total \$500,000 allocated to this project in the 2018 budget was authorized by County Board resolution to be spent in 2018. \$38,541 was spent, with the remaining \$11,459 carried forward to 2019. In early 2019, the County Board passed another resolution authorizing an additional \$175,000 to be used in 2019. Any unspent dollars from this initiative are shown in the fund statements as part of the committed fund balance.
- **Culture, Recreation and Education**
 - UW Extension expenditures were lower than budget by \$230,063. This was partially due to salary and fringe savings of \$110,120. The Family Living Agent retired at the end of 2017, and had been funded for many years by the County and the State. With this change, the position became 100% State funded through a contract, saving \$45,000 in personnel costs and had little effect on the contract budget line as the position was not filled until November of 2018. A secretary position was vacant for part of the year and \$31,000 funded for an intern program was carried forward to be spent in 2019. Children's programs were under budget by \$41,755, and this amount was carried forward to be spent in the 2019 budget.
- **Conservation and Development**
 - Land Conservation expenditures were less than budget by \$175,648. The LWRMP Implementation grant was under budget by \$107,570 in revenues and expenditures. Dairy farmers in the County who participate in the program need to pay 30% of the costs of the program, and due to the low milk prices very few projects were completed in 2018. The County is reimbursed in full from the State for the remaining 70% of the costs. Also, the environmental fund budget line had savings of \$47,128, of which \$40,000 was carried forward to 2019.
 - Neighborhood revitalization expenditures were less than budgeted by \$720,854. Several projects have been awarded, but not yet completed, and the entire amount was carried forward into the 2019 budget.
 - Badger Coulee was under budget by \$150,000, as a planned contribution of that amount to the Village of Holmen for their community center did not happen in 2018. The funds were carried forward to 2019.

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

- Expenditures for the Bluffland Protections were less than budget by \$81,500. There was a delay in getting the program started, as a position was filled in February 2018 and work has continued in reaching agreements with some municipalities. No funds were carried forward, as the expenditures for this program were again budgeted for 2019.
- **Miscellaneous**
 - Salary contingency of \$222,383 was budgeted for 2018. \$924,375 was carried forward from unused 2017 appropriations for a total of \$1,146,758. \$11,773 was used for the diversity internship program per the 2018 budget. \$175,000 was approved through an account transfer for an overage in the retiree's insurance budget line. Approved by resolution was \$26,667 which was transferred to Human Services to cover the cost of a social worker position for the Hintgen-Humber neighborhood project. The balance of \$933,318 was carried forward to moderate the increased costs of salary and fringe in the 2019 budget.
- **Capital Outlay**
 - Capital outlay expenditures were less than the final budget by \$1,786,779. Projects that were not completed in 2018 will have funds carried forward to 2019.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The County's capital assets for its governmental and business-type activities at December 31 amounted to \$179,846,305 (net of accumulated depreciation). These capital assets include land and easements, infrastructure, structures and improvements, equipment, intangibles, and construction in progress. The County's infrastructure assets are recorded at estimated historical cost in the government-wide financial statements. The County has elected to use the straight-line depreciation method of reporting capital assets.

	Governmental activities		Business-type activities		Total	
	2018	2017	2018	2017	2018	2017
Capital Assets						
Land	\$ 3,646,015	\$ 4,015,655	\$ 943,173	\$ 943,173	\$ 4,589,188	\$ 4,958,828
Land Improvements	4,388,731	4,088,929	39,411,456	34,870,870	43,800,187	38,959,799
Buildings	88,696,313	88,322,683	28,612,247	28,387,926	117,308,560	116,710,609
Machinery and equipment	27,035,417	27,072,283	8,744,260	8,713,578	35,779,677	35,785,861
Infrastructure	112,565,957	107,615,508	-	-	112,565,957	107,615,508
Intangibles	9,323,831	8,484,388	390,995	370,289	9,714,826	8,854,677
Construction in progress	2,629,914	3,356,439	92,937	3,272,422	2,722,851	6,628,861
Total capital assets	248,286,178	242,955,885	78,195,068	76,558,258	326,481,246	319,514,143
Less:						
Accumulated Depreciation	107,371,252	101,396,362	39,263,689	38,008,326	146,634,941	139,404,688
Total net capital assets	\$ 140,914,926	\$ 141,559,523	\$ 38,931,379	\$ 38,549,932	\$ 179,846,305	\$ 180,109,455

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

Within the governmental activities, the significant change in capital assets was due to infrastructure additions in the Highway Department for road reconstruction. Within the business-type activities, the decrease in construction in progress and the increase in land improvements was related to the completion of the site entrance and the last planned cell construction in the Solid Waste Department.

Further details of the County's capital assets can be found in Note 6 to the financial statements.

Long-Term Debt

At December 31, the County had \$87,356,470 of debt outstanding. This includes \$76,255,989 of general obligation debt, \$10,849,904 of revenue loan debt, and a \$250,577 loan payable to the State of Wisconsin. During the year, the County issued \$2,765,000 of general obligation promissory notes for the annual highway borrowing which was used for road construction. Under current State statutes, the County's general obligation debt issuances are subject to a legal limitation, based on five percent of the equalized value of taxable property in the County. At December 31, the County's total amount applicable to debt margin was \$72,241,461 which was well below the legal limit of \$501,792,725. The net general obligation debt per capita equaled \$639.57 at year-end.

The chart on the following page shows the actual principal balances of the debt for La Crosse County, not including premiums or discounts, or the loan payable to the State of Wisconsin of \$250,577.

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

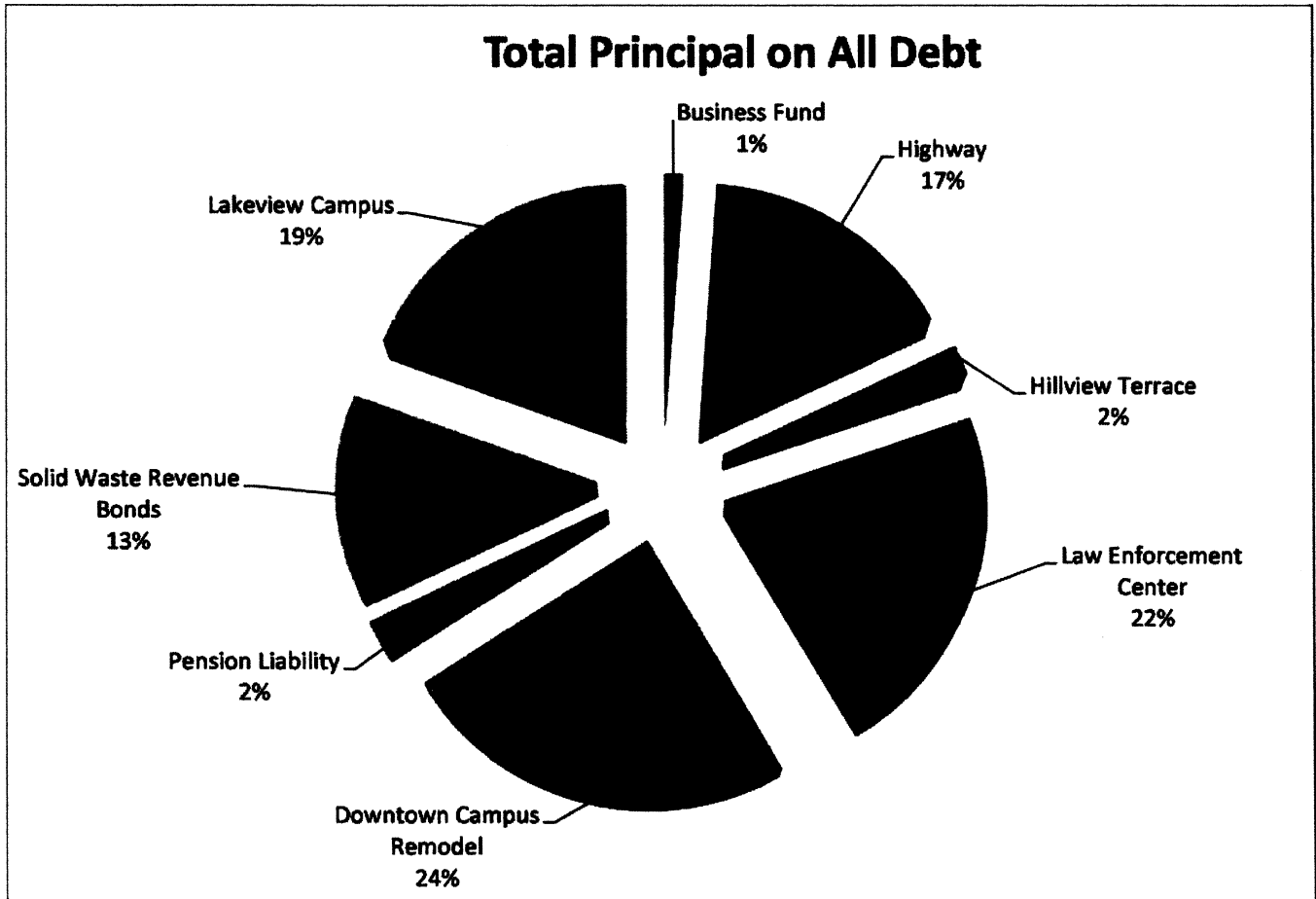
Principal Balances for Year End 2018				
	12/31/17 Balance	2018 Principal Payments	2018 New Debt	12/31/18 Balance
Governmental Funds Debt				
Law Enforcement Center				
2010D Refunding Bonds	\$ 2,480,000	\$ 195,000	\$ -	\$ 2,285,000
2016A GO Refunding Bonds (ref 2010 STFL)	4,570,000	370,000	-	4,200,000
2016A GO Refunding Bonds (ref 2009A)	13,045,000	1,050,000	-	11,995,000
Total Law Enforcement Center	20,095,000	1,615,000	-	18,480,000
Downtown Project Remodel				
2015A GO Bonds	10,145,000	475,000	-	9,670,000
2016A GO Bonds	10,660,000	375,000	-	10,285,000
Total Downtown Project Remodel	20,805,000	850,000	-	19,955,000
Pension Liability				
2010C GO Refunding Bonds	1,925,000	250,000	-	1,675,000
Business Fund				
2007A Corporate Purpose Bonds	170,000	55,000	-	115,000
2010C (TIF)	100,000	100,000	-	-
2010C (Non TIF)	195,000	20,000	-	175,000
2014A GO Notes	725,000	25,000	-	700,000
Total Business Fund	1,190,000	200,000	-	990,000
Highway Debt (Paid through Debt Service)				
2013 A Bond	3,595,000	570,000	-	3,025,000
2014 A Bond	2,125,000	445,000	-	1,680,000
2015 A Bond	2,105,000	365,000	-	1,740,000
2016 A Bond	2,310,000	380,000	-	1,930,000
2017 B Bond	2,725,000	-	-	2,725,000
2018 A Notes	-	-	2,765,000	2,765,000
Total Highway Debt	12,860,000	1,760,000	2,765,000	13,865,000
Total Governmental Funds Debt	56,875,000	4,675,000	2,765,000	54,965,000
Enterprise Funds Debt				
Solid Waste				
2015 STFL Revenue Loan	5,045,350	547,635	-	4,497,715
2016 STFL Revenue Loan	7,022,710	670,521	-	6,352,189
Total Solid Waste	12,068,060	1,218,156	-	10,849,904
Hillview Terrace				
2010A Build America Bonds	1,675,000	110,000	-	1,565,000
Lakeview Campus				
2017 A Bond	16,130,000	-	-	16,130,000
Total Enterprise Funds Debt	29,873,060	1,328,156	-	28,544,904
Grand Total County Debt	\$ 86,748,060	\$ 6,003,156	\$ 2,765,000	\$ 83,509,904

**LA CROSSE COUNTY, WISCONSIN
Management's Discussion and Analysis (Unaudited)**

December 31, 2018

The County maintains an "Aa1" rating from Moody's Investors Services for general obligation debt. The total principal on debt, by project, is shown in the chart below.

Further details of the County's long-term debt activity can be found in Note 8 to the financial statements.



Request for Information

This financial report is designed to provide a general overview of the County'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 financial information should be addressed to the La Crosse County Finance Department, 212 6th Street North, Room 2500, La Crosse, WI 54601.

**LA CROSSE COUNTY, WISCONSIN
STATEMENT OF NET POSITION**

December 31, 2018

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 47,119,618	\$ 13,779,107	\$ 60,898,725	\$ 610,305
Receivables (net of allowance for uncollectibles)	62,432,022	3,641,343	66,073,365	532,080
Internal balances	999,269	(999,269)	-	-
Inventories and prepayments	1,749,161	109,525	1,858,686	-
Other assets	432,592	252,444	685,036	-
Restricted cash and investments	1,555,911	9,872,387	11,428,298	11,244
Restricted net pension asset	7,781,832	2,063,291	9,845,123	809,475
Capital assets not being depreciated:				
Construction in progress	2,629,914	92,937	2,722,851	-
Land	3,646,015	943,173	4,589,188	-
Intangibles	3,268,561	-	3,268,561	-
Capital assets being depreciated:				
Land improvements	4,388,731	39,411,456	43,800,187	-
Buildings	88,696,313	28,612,247	117,308,560	-
Machinery and equipment	27,035,417	8,744,260	35,779,677	-
Infrastructure	112,565,957	-	112,565,957	-
Intangibles	6,055,270	390,995	6,446,265	-
Accumulated depreciation	(107,371,252)	(39,263,689)	(146,634,941)	-
Total Assets	<u>262,985,331</u>	<u>67,650,207</u>	<u>330,635,538</u>	<u>1,963,104</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension	13,988,133	3,709,584	17,697,717	1,608,184
Xcel contract	-	2,544,533	2,544,533	-
Unamortized loss on debt refunding	-	243,127	243,127	-
Post employment benefit	71,780	-	71,780	-
Total Deferred Outflows of Resources	<u>14,059,913</u>	<u>6,497,244</u>	<u>20,557,157</u>	<u>1,608,184</u>
LIABILITIES				
Accounts payable and other current liabilities	10,017,368	2,151,900	12,169,268	827,381
Claims payable	1,838,728	439,676	2,278,404	-
Liabilities payable from restricted assets	611,429	25,114	636,543	11,244
Unearned revenue	175,102	58,551	233,653	-
Accrued interest	394,308	350,687	744,995	-
Accrued interest payable from restricted assets	-	155,572	155,572	-
Long-Term Liabilities:				
Compensated absences - current	2,322,798	563,101	2,885,899	-
Compensated absences - noncurrent	4,874,044	-	4,874,044	-
Post employment benefit obligation - noncurrent	4,214,008	-	4,214,008	-
Bonds and notes payable - current	5,260,675	2,002,979	7,263,654	-
Bonds and notes payable - noncurrent	52,300,685	27,792,131	80,092,816	-
Landfill post-closure costs - current	24,270	13,031	37,301	-
Landfill post-closure costs - noncurrent	464,572	8,093,685	8,558,257	-
Total Liabilities	<u>82,497,987</u>	<u>41,646,427</u>	<u>124,144,414</u>	<u>838,625</u>
DEFERRED INFLOWS OF RESOURCES				
Subsequent year property tax levy	34,723,713	160,911	34,884,624	-
Pension	15,635,646	4,064,859	19,700,505	1,295,031
Total Deferred Inflows of Resources	<u>50,359,359</u>	<u>4,225,770</u>	<u>54,585,129</u>	<u>1,295,031</u>
NET POSITION				
Net investment in capital assets	86,110,257	13,492,863	99,603,120	-
Restricted for:				
Debt service	24,231	707,972	732,203	-
Elderly programs	338,354	-	338,354	-
Land records	207,069	-	207,069	-
Business fund	7,416,395	-	7,416,395	-
Human service programs	1,889,391	-	1,889,391	-
Environmental programs	494,503	-	494,503	-
Library programs	442,987	-	442,987	-
Urban transportation	168,247	-	168,247	-
Register of deeds	29,845	-	29,845	-
Special jail assessments	45,893	-	45,893	-
Dog licenses	1,000	-	1,000	-
Pensions	7,781,832	2,063,291	9,845,123	809,475
Other purposes	44,066	-	44,066	-
Unrestricted	39,193,828	12,011,128	51,204,956	628,157
Total Net Position	<u>\$ 144,187,898</u>	<u>\$ 28,275,254</u>	<u>\$ 172,463,152</u>	<u>\$ 1,437,632</u>

The notes to the basic financial statements are an integral part of this statement.

LA CROSSE COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

LA CROSSE COUNTY, WISCONSIN
STATEMENT OF ACTIVITIES

Year Ended December 31, 2018

	Program Revenues				Net (Expenses) Revenues and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business Type Activities	Total	
PRIMARY GOVERNMENT								
GOVERNMENTAL ACTIVITIES								
General government	\$ 11,324,080	\$ 1,894,811	\$ 485,839	\$ -	\$ (8,943,430)	\$ -	\$ (8,943,430)	\$ -
Public safety	19,266,507	1,616,855	334,972	-	(17,314,680)	-	(17,314,680)	-
Public works	11,318,173	3,723,054	2,071,632	-	(5,523,487)	-	(5,523,487)	-
Health and human services	51,053,092	15,129,335	26,229,000	-	(9,694,757)	-	(9,694,757)	-
Culture, recreation and education	3,357,778	733,389	159,034	-	(2,465,355)	-	(2,465,355)	-
Conservation and development	3,289,331	492,427	2,580,627	-	(216,277)	-	(216,277)	-
Interest on long-term debt	1,623,021	-	-	-	(1,623,021)	-	(1,623,021)	-
Total governmental activities	<u>101,231,982</u>	<u>23,589,871</u>	<u>31,861,104</u>	<u>-</u>	<u>(45,781,007)</u>	<u>-</u>	<u>(45,781,007)</u>	<u>-</u>
BUSINESS TYPE ACTIVITIES								
Hillview Health Care Center	13,947,038	11,446,011	3,115,545	-	-	614,518	614,518	-
Lakeview Nursing Home Facility	1,093,519	1,280,480	-	-	-	186,961	186,961	-
Solid Waste	10,169,621	11,987,954	-	-	-	1,818,333	1,818,333	-
Apartments and assisted living facilities	5,274,818	5,460,193	80,340	-	-	265,715	265,715	-
Household hazardous waste disposal services	443,094	345,979	-	-	-	(97,115)	(97,115)	-
Total business type activities	<u>30,928,090</u>	<u>30,520,617</u>	<u>3,195,885</u>	<u>-</u>	<u>-</u>	<u>2,788,412</u>	<u>2,788,412</u>	<u>-</u>
TOTAL PRIMARY GOVERNMENT	<u>\$ 132,160,072</u>	<u>\$ 54,110,488</u>	<u>\$ 35,056,989</u>	<u>\$ -</u>	<u>(45,781,007)</u>	<u>2,788,412</u>	<u>(42,992,595)</u>	<u>-</u>
COMPONENT UNIT								
Mississippi Valley Health Services	<u>\$ 7,856,508</u>	<u>\$ 6,593,962</u>	<u>\$ 1,572,646</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>310,100</u>
GENERAL REVENUES								
Property taxes					34,171,629	154,050	34,325,679	-
Sales taxes					12,927,849	-	12,927,849	-
Other taxes					53,290	-	53,290	-
Grants and contributions, not restricted to specific programs					4,236,691	-	4,236,691	-
Investment earnings and interest on delinquent taxes					1,608,276	165,192	1,773,468	37
Gain on disposal of property and equipment					1,274,213	8,925	1,283,138	-
Total general revenues					<u>54,271,948</u>	<u>328,167</u>	<u>54,600,115</u>	<u>37</u>
TRANSFERS					<u>(30,948)</u>	<u>30,948</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION					<u>8,459,993</u>	<u>3,147,527</u>	<u>11,607,520</u>	<u>310,137</u>
NET POSITION, BEGINNING OF YEAR (as restated)					<u>135,727,905</u>	<u>25,127,727</u>	<u>160,855,632</u>	<u>1,127,495</u>
NET POSITION, END OF YEAR					<u>\$ 144,187,898</u>	<u>\$ 28,275,254</u>	<u>\$ 172,463,152</u>	<u>\$ 1,437,632</u>

The notes to the basic financial statements are an integral part of this statement.

**LA CROSSE COUNTY, WISCONSIN
BALANCE SHEET
GOVERNMENTAL FUNDS**

December 31, 2018

	General Fund	Human Services Fund	Business Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 28,292,036	\$ 2,538,060	\$ 810,149	\$ 418,539	\$ 2,634,940	\$ 34,693,724
Restricted cash and investments	-	600,564	-	-	719,309	1,319,873
Receivables (net of allowance for uncollectibles)	15,091,805	23,977,135	7,248,538	6,138,621	4,641,668	57,097,767
Due from other funds	63,505	-	-	-	-	63,505
Advance to other funds	1,002,777	-	-	-	-	1,002,777
Inventories and prepayments	486,491	9,061	-	-	73,794	569,346
TOTAL ASSETS	\$ 44,936,614	\$ 27,124,820	\$ 8,058,687	\$ 6,557,160	\$ 8,069,711	\$ 94,746,992
LIABILITIES						
Accounts payable and other current liabilities	\$ 3,716,029	\$ 4,735,155	\$ 324,702	\$ -	\$ 420,586	\$ 9,196,472
Liabilities payable from restricted assets	-	611,429	-	-	-	611,429
Due to other funds	244,650	4,071	17,390	-	1,527	267,638
Advances from other funds	-	-	49,623	-	-	49,623
Unearned revenues	40,562	49,788	-	-	84,752	175,102
Total liabilities	4,001,241	5,400,443	391,715	-	506,865	10,300,264
DEFERRED INFLOWS OF RESOURCES						
Subsequent year property tax levy	7,287,772	13,511,107	-	6,138,621	4,217,059	31,154,559
Unavailable revenue-intergovernmental grants	84,540	1,236,819	-	-	-	1,321,359
Unavailable revenue-client services and taxpayers	934,235	307,469	-	-	-	1,241,704
Unavailable revenue-loan and vendor repayments	-	22,253	6,692,808	-	-	6,715,061
Total deferred inflows of resources	8,306,547	15,077,648	6,692,808	6,138,621	4,217,059	40,432,683
FUND BALANCES						
Nonspendable	4,195,465	9,061	-	-	73,794	4,278,320
Restricted	736,661	1,990,525	974,164	418,539	1,598,732	5,718,621
Committed	2,149,654	4,554,110	-	-	1,557,017	8,260,781
Assigned	4,836,213	93,033	-	-	116,244	5,045,490
Unassigned	20,710,833	-	-	-	-	20,710,833
Total fund balances	32,628,826	6,646,729	974,164	418,539	3,345,787	44,014,045
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	\$ 44,936,614	\$ 27,124,820	\$ 8,058,687	\$ 6,557,160	\$ 8,069,711	\$ 94,746,992

The notes to the basic financial statements are an integral part of this statement.

LA CROSSE COUNTY, WISCONSIN

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION

December 31, 2018

Total Fund Balances - Governmental Funds	\$ 44,014,045
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	67,694,269
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(55,215,577)
Bond premium is amortized over the life of the bonds, whereas it is recorded as income when received in the fund statements.	(2,345,783)
Interest is not accrued at the fund level, but rather is recognized as an expenditure when due.	(394,308)
Internal service funds are used by management to charge the costs of various services to individual funds and functional categories. The assets and liabilities of the internal service funds include items relating to the governmental funds.	83,014,299
Loan funds have unavailable revenue in the fund statements.	6,692,808
Receivables that are not available to pay for current period expenditures, and therefore are recorded as deferred inflows in the fund statements.	2,585,316
Liability for post-closure costs for the old landfill are not recorded as a liability on the fund statements.	(488,842)
Compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(6,968,757)
The net pension asset and related deferred outflows and deferred inflows used in governmental activities are not financial resources and therefore are not reported in governmental funds.	<u>5,600,428</u>
Total Net Position - Governmental Activities	<u>\$ 144,187,898</u>

The notes to the basic financial statements are an integral part of this statement.

LA CROSSE COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS

Year Ended December 31, 2018

	General Fund	Human Service Fund	Business Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES						
Taxes	\$ 22,132,715	\$ 12,491,214	\$ -	\$ 5,782,843	\$ 4,109,669	\$ 44,516,441
Intergovernmental revenues	6,883,694	22,264,616	2,024,728	-	1,539,500	32,712,538
Licenses and permits	277,555	-	-	-	702,193	979,748
Fines, forfeits and penalties	215,984	-	-	-	124,772	340,756
Public charges for services	2,735,080	11,780,374	-	-	490,646	15,006,100
Intergovernmental charges for services	1,833,460	2,269,228	-	-	-	4,102,688
Miscellaneous revenues	1,167,120	332,196	300,145	-	372,864	2,172,325
Total revenues	35,245,608	49,137,628	2,324,873	5,782,843	7,339,644	99,830,596
EXPENDITURES						
Current:						
General government	11,877,554	-	-	-	-	11,877,554
Public safety	15,712,895	1,751,164	-	-	104,929	17,568,988
Public works	-	-	-	-	26,360	26,360
Health and human services	2,187,103	43,550,083	-	-	4,759,277	50,496,463
Culture, recreation and education	1,228,356	-	-	-	1,873,073	3,101,429
Conservation and development	2,689,319	-	2,107,237	-	153,061	4,949,617
Miscellaneous	47,072	-	-	-	-	47,072
Debt service:						
Principal	-	-	211,908	4,475,000	-	4,686,908
Interest and other charges	-	-	33,394	1,614,446	-	1,647,840
Debt issue costs	50,727	-	-	-	-	50,727
Capital outlay	1,181,260	-	-	-	304,730	1,485,990
Total expenditures	34,974,286	45,301,247	2,352,539	6,089,446	7,221,430	95,938,948
Excess (deficiency) of revenues over (under) expenditures	271,322	3,836,381	(27,666)	(306,603)	118,214	3,891,648
OTHER FINANCING SOURCES (USES)						
Long-term debt issued	2,765,000	-	-	-	-	2,765,000
Sale of capital assets	1,407,359	-	168,000	-	18,982	1,594,341
Transfers in	30,000	26,667	16,415	-	50,518	123,600
Transfers out	(2,791,873)	(46,948)	(25,000)	-	(5,000)	(2,868,821)
Total other financing sources (uses)	1,410,486	(20,281)	159,415	-	64,500	1,614,120
Net change in fund balances	1,681,808	3,816,100	131,749	(306,603)	182,714	5,505,768
FUND BALANCES, BEGINNING	30,947,018	2,830,629	842,415	725,142	3,163,073	38,508,277
FUND BALANCES, ENDING	\$ 32,628,826	\$ 6,646,729	\$ 974,164	\$ 418,539	\$ 3,345,787	\$ 44,014,045

The notes to the basic financial statements are an integral part of this statement.

LA CROSSE COUNTY, WISCONSIN

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**

Year Ended December 31, 2018

Net changes in fund balances - total governmental funds \$ 5,505,768

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeded capital asset purchases.

Depreciation expense	3,471,148	
Capital outlay expenditure	(1,485,990)	
Capital outlay amount not capitalized	284,797	
Capital asset transferred between funds	16,482	
Current expenditures capitalized	<u>(380,328)</u>	
		(1,906,109)

Gain on sale of property is recorded in the statement of activities, while on the governmental fund the gross sales price is reported. The total of the sale prices (\$1,572,581) of capital assets and the gain on sale (\$1,179,982) is the net book value of capital assets removed. (392,599)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long term liabilities in the statement of net position. 4,686,908

The issuance of long term debt is an other financing source in the governmental funds, but the issuance increases long term liabilities in the statement of net position. (2,765,000)

Bond premium is amortized over the life of the bonds, whereas it is recorded as income when received in the fund statements. 305,675

Interest is not accrued at the fund level. 24,819

Internal service funds are used by management to charge the costs of various services to individual funds and functional categories. This amount represents the current year change in net position from the internal service funds allocated to the governmental funds. 1,364,748

Governmental funds report economic loan repayments as revenues and the issuance of new loans as expenditures. These activities are reported as changes in loans receivable in the government-wide statements. 1,573,060

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the fund statements. 1,273,510

Long-term closure costs for the old landfill are not recorded as an expense in the fund statements. 22,510

Compensated absences do not require the use of current financial resources and therefore are not reported as an expenditures in the governmental funds. (228,679)

The adjustment of the net pension asset or liability and related deferred outflows and deferred inflows do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. (1,004,618)

Change in Net Position of Governmental Activities \$ 8,459,993

The notes to the basic financial statements are an integral part of this statement.

**LA CROSSE COUNTY, WISCONSIN
STATEMENT OF NET POSITION
PROPRIETARY FUNDS**

December 31, 2018

	Business-type Activities- Enterprise Funds				Governmental Activities	
	Hillview Health Care Center	Solid Waste	Lakeview Nursing Home Facility	Nonmajor Enterprise Funds	Total	Internal Service Funds
ASSETS						
Current Assets						
Cash and cash equivalents	\$ 2,652,355	\$ 3,131,648	\$ 1,257,429	\$ 3,301,129	\$ 10,342,561	\$ 15,862,440
Restricted cash and cash equivalents	15,360	-	707,972	9,754	733,086	-
Restricted investments	-	-	-	-	-	298,860
Receivables (net of allowance for uncollectibles)	1,197,015	818,851	795,425	580,173	3,391,464	5,442,023
Due from other funds	-	-	-	-	-	264,021
Inventories and prepayments	98,376	1,508	-	9,641	109,525	1,179,815
Total current assets	3,963,106	3,952,007	2,760,826	3,900,697	14,576,636	23,047,159
Noncurrent assets						
Restricted investments	-	9,076,479	-	-	9,076,479	-
Receivables (net of allowance for uncollectibles)	-	142,111	-	-	142,111	-
Investment in WMMIC	-	-	-	-	-	685,036
Net pension asset	1,570,359	107,072	-	385,860	2,063,291	606,372
Capital Assets:						
Land	19,562	920,064	3,203	344	943,173	445,024
Land improvements	257,120	38,949,980	27,389	176,967	39,411,456	1,249,897
Buildings	3,805,113	1,715,103	16,492,115	6,599,916	28,612,247	5,199,849
Machinery and equipment	5,494,812	612,119	1,603,750	1,033,579	8,744,260	16,328,990
Infrastructure	-	-	-	-	-	111,555,163
Intangibles	271,508	19,086	100,401	-	390,995	3,368,561
Construction in progress	-	92,937	-	-	92,937	2,359,775
Less accumulated depreciation	(8,191,213)	(25,859,673)	(1,848,338)	(3,364,465)	(39,263,689)	(67,286,602)
Total capital assets - net	1,656,902	16,449,616	16,378,520	4,446,341	38,931,379	73,220,657
Total noncurrent assets	3,227,261	25,775,278	16,378,520	4,832,201	50,213,260	74,512,065
Total Assets	7,190,367	29,727,285	19,139,346	8,732,898	64,789,896	97,559,224
DEFERRED OUTFLOWS OF RESOURCES						
Pension	2,855,114	184,599	-	669,871	3,709,584	1,122,571
Xcel contract	-	2,544,533	-	-	2,544,533	-
Unamortized loss on debt refunding	-	243,127	-	-	243,127	-
Post employment benefits	-	-	-	-	-	71,780
Total Deferred Outflows of Resources	2,855,114	2,972,259	-	669,871	6,497,244	1,194,351
LIABILITIES						
Current liabilities						
Accounts payable and other current liabilities	\$ 349,429	\$ 1,647,752	\$ 1,930	\$ 144,512	\$ 2,143,623	\$ 558,889
Claims payable	-	-	-	-	-	2,278,404
Other liabilities payable from restricted assets	15,360	-	-	9,754	25,114	-
Due to other funds	13,435	-	-	46,115	59,550	338
Transportation cost pool	-	-	-	-	-	270,284
Unearned revenues	-	53,550	-	5,001	58,551	-
Accrued interest	-	331,008	-	19,679	350,687	-
Accrued interest payable from restricted assets	-	-	155,572	-	155,572	-
Current portion of bonds and notes payable	-	1,265,206	623,988	113,785	2,002,979	-
Compensated absences	439,344	34,686	-	89,071	563,101	228,085
Current portion of landfill closure cost liability	-	13,031	-	-	13,031	-
Total current liabilities	817,568	3,345,233	781,490	427,917	5,372,208	3,336,000
Noncurrent liabilities						
Advances from other funds	-	-	196,000	757,154	953,154	-
Bonds and notes payable	-	9,584,698	16,770,799	1,436,634	27,792,131	-
Post employment benefit obligation	-	-	-	-	-	4,214,008
Landfill closure cost liability	-	8,093,685	-	-	8,093,685	-
Total noncurrent liabilities	-	17,678,383	16,966,799	2,193,788	36,838,970	4,214,008
Total Liabilities	817,568	21,023,616	17,748,289	2,621,705	42,211,178	7,550,008
DEFERRED INFLOWS OF RESOURCES						
Subsequent year property tax levy	-	-	-	160,911	160,911	3,569,154
Pension	3,009,576	219,000	-	836,283	4,064,859	1,195,052
Total Deferred Inflows of Resources	3,009,576	219,000	-	997,194	4,225,770	4,764,206
NET POSITION						
Net investment in capital assets	1,657,162	9,957,976	(1,018,197)	2,895,922	13,492,863	73,130,425
Restricted for:						
Debt service	-	-	707,972	-	707,972	-
Net pension asset	1,570,359	107,072	-	385,860	2,063,291	606,372
Unrestricted	2,990,816	1,391,880	1,701,282	2,502,088	8,586,066	12,702,564
Total Net Position	\$ 6,218,337	\$ 11,456,928	\$ 1,391,057	\$ 5,783,870	24,850,192	\$ 86,439,361
Adjustment to report the cumulative internal balance for the net effect of the activity between the internal service funds and the enterprise funds over time					3,425,062	
NET POSITION OF BUSINESS - TYPE ACTIVITIES					\$ 28,275,254	

**LA CROSSE COUNTY, WISCONSIN
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
PROPRIETARY FUNDS**

Year Ended December 31, 2018

	Business-type Activities- Enterprise Funds				Governmental Activities	
	Hillview Health Care Center	Solid Waste	Lakeview Nursing Home Facility	Nonmajor Enterprise Funds	Total	Internal Service Funds
OPERATING REVENUES						
Public charges for services	\$ 11,238,393	\$ 11,917,849	\$ -	\$ 5,562,809	\$ 28,719,051	\$ 6,215,210
Intergovernmental grants and fees	-	24,123	795,425	224,583	1,044,131	-
Interdepartmental revenues	185,274	16,921	484,617	9,505	696,317	15,255,376
Miscellaneous revenues	22,344	29,061	438	9,275	61,118	65,952
Total operating revenues	<u>11,446,011</u>	<u>11,987,954</u>	<u>1,280,480</u>	<u>5,806,172</u>	<u>30,520,617</u>	<u>21,536,538</u>
OPERATING EXPENSES						
Personnel services	10,940,295	708,261	-	3,750,608	15,399,164	-
Contractual services	579,212	5,528,599	-	251,074	6,358,885	-
Construction and maintenance	-	-	-	-	-	6,756,694
General and administrative services	510,367	272,137	201	721,794	1,504,499	2,942,925
Post employment benefit	-	-	-	-	-	467,656
Claims	-	-	-	-	-	14,051,380
Materials and supplies	1,187,038	6,988	-	382,783	1,576,809	-
Utilities	188,515	101,416	-	185,952	475,883	-
Depreciation/amortization	304,970	446,089	557,335	283,292	1,591,686	3,590,394
Other services and charges	476,403	2,629,908	-	105,876	3,212,187	-
Total operating expenses	<u>14,186,800</u>	<u>9,693,398</u>	<u>557,536</u>	<u>5,681,379</u>	<u>30,119,113</u>	<u>27,809,049</u>
Operating income (loss)	<u>(2,740,789)</u>	<u>2,294,556</u>	<u>722,944</u>	<u>124,793</u>	<u>401,504</u>	<u>(6,272,511)</u>
NONOPERATING REVENUES (EXPENSES)						
Property taxes	-	-	-	154,050	154,050	3,300,000
Intergovernmental revenues	3,115,545	-	-	53,332	3,168,877	2,071,632
Investment earnings	1,569	128,436	-	18	130,023	165,151
Interest expense	-	(474,302)	(601,727)	(112,776)	(1,188,805)	-
Finance charges	-	-	(3,244)	(1,044)	(4,288)	-
Amortization of debt (discount) or premium	-	-	68,988	(1,215)	67,773	-
Rebates	-	-	-	27,008	27,008	-
Contribution to other government	-	-	-	-	-	(263,484)
Gain (loss) on disposal of property and equipment	6,801	(20,132)	325	-	(13,006)	23,130
Total nonoperating revenues (expenses)	<u>3,123,915</u>	<u>(365,998)</u>	<u>(535,658)</u>	<u>119,373</u>	<u>2,341,632</u>	<u>5,296,429</u>
Income (loss) before transfers	<u>383,126</u>	<u>1,928,558</u>	<u>187,286</u>	<u>244,166</u>	<u>2,743,136</u>	<u>(976,082)</u>
Transfers in	5,786	-	15,265	144,897	165,948	2,714,273
Transfers out	-	-	-	(135,000)	(135,000)	-
CHANGE IN NET POSITION	<u>388,912</u>	<u>1,928,558</u>	<u>202,551</u>	<u>254,063</u>	<u>2,774,084</u>	<u>1,738,191</u>
NET POSITION, BEGINNING (as restated)	<u>5,829,425</u>	<u>9,528,370</u>	<u>1,188,506</u>	<u>5,529,807</u>		<u>84,701,170</u>
NET POSITION, ENDING	<u>\$ 6,218,337</u>	<u>\$ 11,456,928</u>	<u>\$ 1,391,057</u>	<u>\$ 5,783,870</u>		<u>\$ 86,439,361</u>
Adjustment for the net effect of the current year activity between internal service funds and enterprise funds					<u>373,443</u>	
CHANGE IN NET POSITION OF BUSINESS -TYPE ACTIVITIES					<u>\$ 3,147,527</u>	

The notes to the basic statements are an integral part of this statement.

**LA CROSSE COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

Year Ended December 31, 2018

	Business-type Activities- Enterprise Funds				Governmental Activities	
	Hillview Health Care Center	Solid Waste	Lakeview Nursing Home Facility	Nonmajor Enterprise Funds	Total	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers and users	\$ 11,472,870	\$ 11,869,777	\$ 796,065	\$ 5,476,049	\$ 29,614,761	\$ 6,170,649
Receipts from interfund services provided	185,274	16,921	484,617	9,505	696,317	15,202,409
Receipts from cash contributions	15,742	-	-	171	15,913	-
Receipts from intergovernmental grants and fees	-	24,123	-	220,893	245,016	-
Other operating cash receipts	6,602	29,061	-	4,134	39,797	77,176
Payments to suppliers and providers	(2,500,935)	(8,876,461)	(201)	(1,367,628)	(12,745,225)	(18,944,812)
Payments to employees for salaries and benefits	(10,714,630)	(678,014)	-	(3,664,524)	(15,057,168)	(4,708,175)
Payments for interfund services used	(391,774)	(172,354)	-	(300,528)	(864,656)	(390,373)
Net cash provided by (used for) operating activities	(1,926,851)	2,213,053	1,280,481	378,072	1,944,755	(2,593,126)
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES						
Contribution to other government	-	-	-	-	-	(263,484)
Transfers to other funds	-	-	-	(135,000)	(135,000)	-
Transfers from other funds	5,786	-	15,265	144,897	165,948	-
Principal paid on long-term debt	-	(547,635)	-	-	(547,635)	-
Interest paid	-	(201,814)	-	-	(201,814)	-
Federal and state aids received	3,115,545	-	-	53,332	3,168,877	2,071,632
Receipts from property taxes	-	-	-	154,050	154,050	3,300,000
Net cash provided by (used for) non-capital financing activities	3,121,331	(749,449)	15,265	217,279	2,604,426	5,108,148
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Acquisition and construction of capital assets	(155,485)	(2,050,598)	(94,528)	(29,913)	(2,330,524)	(5,727,729)
Transfers from other funds	-	-	-	-	-	2,714,273
Proceeds from sales of capital assets	8,600	7,500	325	-	16,425	180,654
Rebates	-	-	-	27,008	27,008	-
Payment on advance from other funds	-	-	-	(44,344)	(44,344)	-
Payments for finance charges	-	-	(3,244)	(1,044)	(4,288)	-
Principal paid on long-term debt	-	(670,521)	-	(110,000)	(780,521)	-
Interest paid	-	(263,352)	(651,673)	(113,752)	(1,028,777)	-
Net cash used for capital and related financing activities	(146,885)	(2,976,971)	(749,120)	(272,045)	(4,145,021)	(2,832,802)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest on investments	1,569	128,436	-	18	130,023	165,151
Redemption of investments	-	(128,436)	-	-	(128,436)	-
Net cash provided by investing activities	1,569	-	-	18	1,587	165,151
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS						
	1,049,164	(1,513,367)	546,626	323,324	405,747	(152,629)
CASH AND CASH EQUIVALENTS, BEGINNING						
	1,618,551	4,645,015	1,418,775	2,987,559	10,669,900	16,015,069
CASH AND CASH EQUIVALENTS, ENDING						
	\$ 2,667,715	\$ 3,131,648	\$ 1,965,401	\$ 3,310,883	\$ 11,075,647	\$ 15,862,440

The notes to the basic statements are an integral part of this statement.

**LA CROSSE COUNTY, WISCONSIN
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS**

Year Ended December 31, 2018

	Business-type Activities- Enterprise Funds				Total	Governmental Activities
	Hillview Health Care Center	Solid Waste	Lakeview Nursing Home Facility	Nonmajor Enterprise Funds		Internal Service Funds

**RECONCILIATION OF OPERATING INCOME (LOSS)
TO NET CASH PROVIDED BY (USED FOR)
OPERATING ACTIVITIES**

Operating income (loss)	\$ (2,740,789)	\$ 2,294,556	\$ 722,944	\$ 124,793	\$ 401,504	\$ (6,272,511)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation expense	304,970	446,089	557,335	283,292	1,591,686	3,590,394
Amortization	-	535,691	-	-	535,691	-
(Increase) Decrease receivables	247,612	(54,361)	202	(95,653)	97,800	(365,465)
(Increase) Decrease due from other funds	-	-	-	-	-	(59,033)
(Increase) Decrease inventories and prepayments	16,126	(1,171)	-	307	15,262	22,281
(Increase) Decrease retention deposit	-	-	-	-	-	(49,453)
(Increase) Decrease pension related amounts	231,872	21,954	-	57,707	311,533	54,494
Increase (Decrease) accounts payable and other current liabilities	34,028	17,579	-	(7,493)	44,114	175,519
Increase (Decrease) claims payable	-	-	-	-	-	(144,155)
Increase (Decrease) due to other funds	13,423	(208)	-	-	13,215	338
Increase (Decrease) other liabilities	-	-	-	-	-	23,624
Increase (Decrease) unearned revenue	-	6,289	-	4,950	11,239	-
Increase (Decrease) compensated absences	(34,093)	5,892	-	10,169	(18,032)	34,965
Increase (Decrease) other post employment benefit related amounts	-	-	-	-	-	395,876
Increase (Decrease) landfill closure cost liability	-	(1,059,257)	-	-	(1,059,257)	-
Total adjustments	<u>813,938</u>	<u>(81,503)</u>	<u>557,537</u>	<u>253,279</u>	<u>1,543,251</u>	<u>3,679,385</u>
Net cash provided by (used for) operating activities	<u>\$ (1,926,851)</u>	<u>\$ 2,213,053</u>	<u>\$ 1,280,481</u>	<u>\$ 378,072</u>	<u>\$ 1,944,755</u>	<u>\$ (2,593,126)</u>

NONCASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:

Hillview Health Care Center acquired capital assets during 2018 through accounts payable. (\$260) of capital asset purchases remained in the outstanding accounts payable balance at year-end.

Solid Waste also acquired capital assets during 2018 through accounts payable. \$139,451 of capital asset purchases remained in the outstanding accounts payable balance at year-end. During 2018, the Lakeview Nursing Home Facility fund transferred a fully depreciated vehicle with a cost of \$41,082 to Regent Manor and received a fully depreciated vehicle with a cost of \$32,946 from Regent Manor.

Lakeview Nursing Home Facility fund also acquired capital assets during 2018 through accounts payable. \$1,930 of capital asset purchases remained in the outstanding accounts payable balance at year-end.

County Highway acquired capital assets during 2018 through accounts payable. \$90,232 of capital asset purchases remained in the outstanding accounts payable balance at year-end.

**RECONCILIATION OF CASH AND CASH EQUIVALENTS
PER COMBINED STATEMENT OF CASH FLOWS
TO STATEMENT OF NET POSITION**

Unrestricted, January 1, 2018	\$ 1,590,056	\$ 4,645,015	\$ 59,129	\$ 2,978,698	\$ 9,272,898	\$ 16,015,069
Restricted, January 1, 2018	28,495	-	1,359,646	8,861	1,397,002	-
Total	<u>1,618,551</u>	<u>4,645,015</u>	<u>1,418,775</u>	<u>2,987,559</u>	<u>10,669,900</u>	<u>16,015,069</u>
Net increase (decrease) in cash and cash equivalents	1,049,164	(1,513,367)	546,626	323,324	405,747	(152,629)
Total	<u>\$ 2,667,715</u>	<u>\$ 3,131,648</u>	<u>\$ 1,965,401</u>	<u>\$ 3,310,883</u>	<u>\$ 11,075,647</u>	<u>\$ 15,862,440</u>
Unrestricted, December 31, 2018	\$ 2,652,355	\$ 3,131,648	\$ 1,257,429	\$ 3,301,129	\$ 10,342,561	\$ 15,862,440
Restricted, December 31, 2018	15,360	-	707,972	9,754	733,086	-
Total	<u>\$ 2,667,715</u>	<u>\$ 3,131,648</u>	<u>\$ 1,965,401</u>	<u>\$ 3,310,883</u>	<u>\$ 11,075,647</u>	<u>\$ 15,862,440</u>

The notes to the basic statements are an integral part of this statement.

**LA CROSSE COUNTY, WISCONSIN
STATEMENT OF ASSETS AND LIABILITIES
AGENCY FUNDS**

DECEMBER 31, 2018

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 1,605,937
Receivables	18,986
TOTAL ASSETS	<u>\$ 1,624,923</u>
LIABILITIES	
Accounts payable and other current liabilities	1,624,923
TOTAL LIABILITIES	<u>\$ 1,624,923</u>

The notes to the basic financial statements are an integral part of this statement.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of La Crosse County conform to accounting principles generally accepted in the United States of America as applicable to governmental units. The accepted standard-setting body for establishing governmental accounting and financial reporting principles is the Governmental Accounting Standards Board (GASB).

A. Reporting Entity

This report includes all of the funds of La Crosse County. The reporting entity for the County consists of (a) the primary government, (b) organizations for which the primary government is financially accountable and (c) other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

A legally separate organization should be reported as a component unit if the elected officials of the primary government are financially accountable to the organization. The primary government 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 burdens on the primary government. The primary government may be financially accountable if an organization is fiscally dependent on the primary government.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. This report does not contain any blended component units.

Discretely Presented Component Unit

The government-wide financial statements include the Mississippi Valley Health Services (MVHS) as a discretely presented component unit. MVHS is a legally separate governmental organization that was formed in 2009 for the purpose of organizing and establishing a multi-jurisdictional public entity which operates a nursing home facility for the elderly and developmentally disabled. MVHS is governed by thirteen counties, including La Crosse County, each who appoint one member by the respective participating counties. In addition, La Crosse County Board exercises its will by appointing two additional members to MVHS who must serve as the president and vice president, respectively. The County contracts with MVHS to provide personnel and human resources related to the administration and management of the nursing home, as well as provide financial resources for the operations, including any incidental costs or services.

Additional information is presented in Note 14. Separately issued financial statements of MVHS may be obtained from the MVHS office.

B. Government-wide and Fund Financial Statements

Government-wide Financial Statements

The statement of net position and statement of activities display information about the reporting government as a whole. They include all funds of the reporting entity except for fiduciary funds. The statements distinguish between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with specific function or segment. The County does not allocate the full indirect expense to functions in the statement of activities. Program revenues include 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

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

program revenues are reported as general revenues. Internally dedicated resources are reported as general revenues rather than as program revenues.

Fund Financial Statements

Financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position/fund balance, revenues, and expenditure/expenses.

Separate financial statements are provided for governmental, proprietary, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Funds are organized as major funds or nonmajor funds within the governmental and enterprise statements. An emphasis is placed on major funds within the governmental and enterprise categories. A fund is considered major if it is the primary operating fund of the County or meets the following criteria:

1. Total assets and deferred outflows, liabilities and deferred inflows, revenues, 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
2. 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.
3. In addition, any other governmental or enterprise fund that the County believes is particularly important to financial statement users may be reported as a major fund.

The County reports the following major governmental and enterprise funds:

Major Governmental Funds

General Fund – Accounts for the County's primary operating activities. It is used to account for all financial resources except those required to be accounted for in another fund.

Human Services Special Revenue Fund – Accounts for services provided in the areas of mental health, developmental disabilities, alcohol and drug abuse, aging & disability resources, justice support, family & children's, and economic support. Revenues are received through property taxes, Federal and State grants, intergovernmental charges, public charges, and miscellaneous donations.

Business Special Revenue Fund – Accounts for loans provided to businesses within the County to promote economic development, loans provided to residents throughout a thirteen-county area for the rehabilitation of their homes and down-payment assistance, and the development of the Lakeview Business Park. Revenues are received through economic grants and principal and interest repayments on loans.

Debt Service Fund – Accounts for the accumulation of resources for, and the payment of, general obligation debt principal, interest and related costs. Funding is provided through property taxes.

Major Enterprise Funds

Hillview Health Care Center Fund – Accounts for the operations of the skilled nursing facilities for aged and disabled residents.

Solid Waste Fund – Accounts for the operations of the solid waste disposal system servicing the County.

Lakeview Nursing Home Facility Fund – Accounts for capital assets of Lakeview Nursing Home Facility which is leased to Mississippi Valley Health Services Commission.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The County reports the following nonmajor governmental and enterprise funds:

Special Revenue Funds – used to account for and report the proceeds of specific revenue sources that are restricted, committed, or assigned to expenditure for specified purposes other than debt service or capital projects.

Land Record Assessment Fund – Accounts for the activity in conjunction with computerized land information created by the County.

Special Jail Assessment Fund – Accounts for the portion of traffic violations collected by the Clerk of Courts which are restricted for law enforcement use.

Library Fund – Accounts for the operations of the County Library System.

Old Landfill Fund – Accounts for the current costs associated with post-closure care of the old landfill.

Estate Donation Fund – Accounts for monies bequeathed to the County Aging Unit to be used for services provided to elderly residents of the County.

Health Fund – Accounts for the costs of health services provided to residents of the County.

Capital Projects Funds – accounts for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds). The County has only one capital projects fund, the Downtown Campus Fund, which accounts for the purchase and remodeling of a building for the new Administrative Center, the addition and remodeling of the Health and Human Services Building, and remodeling of the Law Enforcement Center Building to house the Child Support and Medical Examiner offices.

Enterprise Funds – may be used to report any activity for which a fee is charged to external users for goods or services, and must be used for activities which meet certain debt or cost recovery criteria.

Robert G. Carroll Heights Apartments Fund – Accounts for the operations of the County-owned apartment complex for the aged.

Hillview Terrace Fund - Accounts for the operations of the County-owned community based residential facility.

Neshonoc Manor Fund – Accounts for the operations of the County-owned community based residential facility for people with physical, cognitive, and mental health challenges.

Regent Manor Fund – Accounts for the operations of the County-owned adult family home for people with disabilities.

Maplewood CBRF Fund – Accounts for the operations of the County-owned community based residential facility.

Ravenwood Nursing Home Fund – Accounts for the operations of the County-owned certified nursing home for people with severe behavioral problems.

Monarch Manor Fund – Accounts for the operations of the County-owned community based residential facility for people with disabilities.

Household Hazardous Materials Fund – Accounts for the operations of the facility designed to dispose of hazardous chemicals used in the La Crosse County area.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

In addition, the County reports the following fund types:

Internal Service Funds - used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the County, or to other governmental units, on a cost-reimbursement basis.

County Highway Fund – Accounts for the operations of the County Highway Department, which consists primarily of the maintenance and construction of the County trunk highway system, maintenance of state highways within the County, and provision of highway services to other local governments.

Workers Compensation Self-Insurance Fund – Accounts for the accumulation of resources for and payment of workers compensation claims.

Health Self-Insurance Fund – Accounts for the resources for and payment of medical and dental claims.

Liability Self-Insurance Fund – Accounts for the accumulation of resources and payment of claims.

Agency Funds - used to account for assets held by the County in a trustee capacity or as an agent for individuals, private organizations, and/or other governmental units.

Circuit Court Fund – Accounts for the collection and payment of fines and forfeitures.

Inmate and Representative Payee Account Fund – Accounts for the jail that is holding money in an agency capacity for inmates.

Metro Enforcement Group Fund – Accounts for the activities related to the regional drug enforcement task force working for the Federal government.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government – wide Financial Statements

The government-wide statement of net position and statement of activities are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Property taxes are recognized as revenues in the year for which they are levied. Taxes receivable for the following year are recorded as receivables and deferred inflows. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider are met. Unbilled receivables are recorded as revenues when services are provided.

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 for client care services from various funds within the County that provide services to other funds. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resource measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Certain federal and state funded grant revenues are considered available if they are collected within 180 days of the current fiscal period. Expenditures are recorded when the related fund liability is incurred, except for principal and unamortized interest on long-term debt, claims, judgments, compensated absences, post-employment benefits and landfill post-closure expenditures, which are recorded as a fund liability when expected to be paid with expendable available financial resources. 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.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property taxes are recorded in the year levied as receivables and deferred inflows of resources. They are recognized as revenues in the succeeding year when services financed by the levy are being provided.

Intergovernmental aids and grants are recognized as revenues in the period the County is entitled the resources and the amounts are available. Amounts owed to the County, which are not available, are recorded as receivables and deferred inflows of resources. Amounts received prior to the entitlement period are also recorded as unearned revenues.

Revenues susceptible to accrual include general intergovernmental assistance, intergovernmental contracts/grants, interdepartmental revenues, property taxes, miscellaneous taxes, charges for services, and interest. Other general revenues such as fines and forfeitures, inspection fees, recreation fees, and miscellaneous revenues are recognized when received in cash or when measurable and available under the criteria described above.

The County reports deferred inflows on its governmental funds balance sheet. Deferred inflows arise from taxes levied in the current year that are for subsequent year's operations. For governmental fund financial statements, deferred inflows also arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period or when resources are received before the County has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the County has a legal claim to the resources, the liability for deferred inflows is removed from the balance sheet and revenue is recognized.

Proprietary and fiduciary fund (except agency fund) financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as described for the government-wide financial statements. The agency funds do not have a measurement focus and are reported using the accrual basis of accounting.

The proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the County's proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation/amortization on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the County's policy to use restricted resources first, and then unrestricted resources as they are needed.

All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position/Fund Balance

1. Cash and Investments

For purposes of the statement of cash flows, the County considers all highly liquid investments with an initial maturity of three months or less when acquired to be cash equivalents.

Investments are stated at fair value, which is the amount at which an investment could be exchanged in a current transaction between willing parties. Fair values are based on methods and inputs outlined in Note 3. No investments are reported at amortized cost. Adjustments necessary to record investments at fair value are recorded in the operating statement as increases or decreases in investment earnings. Investment earnings on commingled investments of various County funds are allocated based on average balances, in accordance with adopted policies.

The Wisconsin Local Government Investment Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Statutes Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds in total on

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

one day's notice. At December 31, the County's share of the LGIP's assets is reported at fair value substantially equal to the carrying value.

2. Receivables

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the County. The taxes are due and payable in the following year. Such amounts are recorded as property taxes receivable and deferred inflows of resources in the accompanying financial statements.

The taxes levied become due as of January 1 of the calendar year. Collections are made through January 31 by each municipal treasurer within the County except the City of La Crosse and directly by the County after that date. The City of La Crosse collects taxes quarterly and settles uncollected taxes with the County on August 15 of each year. Payment dates are full payment by January 31 or partial payments by January 31 and July 31 of each year.

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." Interfund receivables and payables between funds within governmental activities are eliminated in the statement of net position. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

In the governmental fund financial statements, advances to other funds are offset equally by nonspendable fund balance, which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

3. Inventories and Prepayments

All inventories, if material, are recorded at cost, which approximates market, based on the first-in, first-out method using the purchases method of accounting. Proprietary fund inventories are valued at cost based on weighted average. Inventories consist of expendable supplies held for consumption. The cost is recorded as an expenditure at the time individual items are consumed, rather than when purchased. Inventory items are not for re-sale. Inventory quantities at December 31 were determined by physical count.

Payments made to vendors that will benefit periods beyond the end of the current fiscal year are recorded as prepaid items. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased. Prepaid items of governmental fund types in the fund financial statements are offset by nonspendable fund balance accounts to indicate they do not represent spendable available financial resources.

4. Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by bond agreements and other external parties. Current liabilities payable from these restricted assets are so classified. The excess of restricted assets over current liabilities payable from restricted assets will be used first for retirement of related long-term debt. The remainder, if generated from earnings, is shown as restricted net position.

Restricted assets consist of cash and investments held in trust for the residents of Hillview Health Care Center, Neshonoc Manor, Regent Manor, Maplewood CBRF, Ravenwood Nursing Home, Monarch Manor, the self funded liability retention account (WMMIC), Lakeview Nursing Home Facility Fund bond premium used for debt service, construction projects in the Capital Projects Fund, and the net pension asset required for GASB 68. Also included in restricted assets are the deposits required by the Wisconsin Department of Natural Resources for the County's landfill closure and post-closure care costs. The Human Services Fund has restricted assets that consist of cash held in trust for foster care clients and for the Western Region for Economic Assistance (WREA) Income Maintenance Consortium.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

5. Capital Assets

Government – wide Statements

In the government-wide financial statements, property, plant, equipment and infrastructure are accounted for as capital assets. The County defines capital assets as assets with an initial cost of more than \$10,000 for general capital assets and \$100,000 for infrastructure assets, and an estimated useful life in excess of one year. All capital assets are valued at historical cost or estimated historical cost if actual amounts are unavailable. Donated capital assets are recorded at their acquisition value at the time of acquisition.

Prior to January 2003, infrastructure assets of governmental funds were not capitalized. The County has retroactively reported all network infrastructure acquired by its governmental activities since January 1, 1980.

Additions to and replacements of capital assets are recorded at original cost, which includes material, labor, overhead, and an allowance for the cost of funds used during construction when significant. For tax-exempt debt, the amount of interest capitalized for proprietary funds equals the interest expense incurred during construction netted against any interest revenue from temporary investment of borrowed fund proceeds. No interest was capitalized during 2018. The cost of renewals and betterments relating to retirement units is added to plant accounts. The cost of property replaced, retired or otherwise disposed of, is deducted from capital asset accounts.

Depreciation/amortization of all exhaustible capital assets is recorded as an allocated expense in the statement of activities, with accumulated depreciation/amortization reflected in the statement of net position. Depreciation/amortization is provided over the assets estimated useful lives using the straight-line method of depreciation/amortization. The range of estimated useful lives by type of asset is as follows:

Buildings	5 – 40 Years
Land Improvements	5 – 50 Years
Infrastructure	25 – 50 Years
Machinery and equipment	3 – 25 Years
Intangibles	3 – 10 Years

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition. Capital assets used in proprietary fund operations are accounted for the same way as in the government-wide statements.

6. Deferred Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arises from the advance refunding of debt. The difference between the cost of the securities placed in trust for future payments of the refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide and proprietary fund financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

7. Employees' Retirement System

For purposes of measuring the net pension asset or liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Wisconsin Retirement System (WRS) and additions to/deductions from 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. Additional information is found in Note 11.

8. Compensated Absences

County employees generally earn sick leave and vacation at different rates depending upon years of service.

When an employee retires and meets specified requirements, a percentage of the accumulated sick pay up to a maximum of 150 days, is paid out to be used for medical expenses for the employee and or dependents of the employee. The employee may use the foregoing benefit until such time as one of the following occurs:

- The employee or dependent is deceased, or
- The employee or dependent becomes employed and/or eligible for other comparable hospital and surgical programs from another source.

Compensated absences consist of accrued vacation and accrued sick leave. The general fund is responsible for the accrued sick leave liability for all the funds. Therefore, it is reported as a long-term liability within the governmental activities. Accrued vacation is considered payable within one year, and therefore is reported as a current liability within the applicable governmental activities, business-type activities, or proprietary fund statement of net position.

9. Long-Term Obligations

In the government-wide statements and in the proprietary funds in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business type activities, or proprietary fund statement of net position. The long-term obligations consist primarily of notes and bonds payable, landfill post-closure costs, accrued compensated absences, and post-employment benefit obligations. Bond premiums and discounts are deferred and amortized over the life of the bond within the government-wide and proprietary fund statements.

In the fund financial statements, governmental funds recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as another financing source. Issuance costs as well as principal and interest payments are reported as debt service expenditures. Discounts or premiums are reported as financing sources or uses.

10. Claims and Judgments

Claims and judgments are recorded as liabilities in the governmental funds only if they have matured and 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.

11. Deferred Inflows of Resources

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. Deferred inflows of resources represents an acquisition of net position/fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

12. Net Position and Fund Balance Classifications

Government – wide Statements

Net Position is classified in three components:

- a. Net investment in capital assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position – Consists of amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position – Consists of all other amounts that do not meet the definition of “restricted” or “net investment in capital assets.”

Fund Statements

Governmental fund equity is classified as fund balance. Fund balance classification is based primarily on the extent to which the County is bound to honor constraints on the use of the resources reported in each governmental fund. Proprietary fund net position is classified the same as in the government-wide statements.

See Note 10 for an explanation of the various fund balance and net position descriptions.

13. Other Post-Employment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, the county OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Additional information is found in Note 12.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In July, the department heads submit budget requests to the Finance Department. The Finance Department totals these requests and compiles a County wide budget.
2. From August through November, various budget meetings take place to review the departmental and County budget.
3. A public hearing is then conducted to obtain taxpayer comments.
4. In November, the budget is legally enacted through passage of a resolution by the County Board of Supervisors. The legal level of budgetary control is the function level in the General Fund and total expenditures in all other funds.
5. Department heads are responsible for monitoring their budgets. In the event of a projected overage, the Department Head works jointly with the County Administrator and the Finance Director to develop a funding strategy.
6. The Executive Committee is authorized to transfer budgeted amounts between and within departments; however, any transfers between funds or amounts that will be spent out of unassigned fund balances must be approved by the County Board of Supervisors.
7. The budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
8. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent the final authorized amounts.

B. Excess Expenditures and Other Financing Uses over Appropriations

Actual expenditures and other financing uses exceeded the total budgeted expenditures and other financing uses (including amendments) for some governmental funds. The schedule of revenues, expenditures and changes in fund balance for all governmental funds is presented in the required supplementary information and supplementary information.

C. Limitations on the County’s Tax Levy Rate and Its Ability to Issue New Debt

Wisconsin legislation was passed in 2011 that limits the County’s future tax levy. Since then, the County is limited to the prior year tax levy dollar amount (excluding TIF districts), or the percentage change in the County’s equalized value due to net new construction. Changes in debt service from one year to the next are generally exempt from this limit. The County is in compliance with the limitation.

The County may exceed the limitation by holding a referendum (according to state statutes) authorizing the County Board to approve a higher rate. The County may also exceed the rate if it increases the services it provides due to a transfer of these services from another governmental unit.

The State also imposes restrictions on the County’s ability to issue new debt. Generally, referendum approval is required to issue unlimited general obligation debt, with the following exceptions: (1) refunding debt issues, (2) 75% approval by the County Board, (3) a reasonable expectation that the new debt can be accommodated within the existing tax rate and (4) other exceptions as listed in State Statutes Section 67.045. The County is in compliance with the limitation.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

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LA CROSSE COUNTY, WISCONSIN
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NOTE 3 – CASH AND INVESTMENTS

Overview

The County maintains separate and distinct accounts for the following activities: The Health Self-Insurance Fund; Clerk of Court fines, forfeitures, support and alimony and trust accounts; Patient and Client Trust accounts at the Hillview Health Center and Human Services; CDBG block grants; Landfill closure cost reserves; Sheriff and ASCS State aids; and various small restitution accounts. All other bank cash and investments are shared (pooled) among various funds. The following is a schedule of cash and investments as of December 31.

Investment Type	Carrying Value	Statement Balances	Associated Risks
Deposits	\$ 7,604,040	\$ 8,722,136	Custodial credit risk
U.S. Treasury Notes	3,426,050	3,426,050	Interest rate risk, custodial credit risk
U.S. Agency Securities - implicitly guaranteed	21,808,359	21,808,359	Interest rate risk, credit risk, custodial credit risk, concentration of credit risk
U.S. Agency Securities - explicitly guaranteed	880,082	880,082	Interest rate risk, custodial credit risk
U.S. Small Business Administration Mortgages	4,538,844	4,538,844	Interest rate risk, credit risk, custodial credit risk, concentration of credit risk
Corporate Issues	1,534,792	1,534,792	Interest rate risk, credit risk, custodial credit risk, concentration of credit risk
State of Wisconsin Local Government Investment Pool	22,900,106	22,900,106	Credit risk
Mutual Funds - other than bond funds	11,832,760	11,833,835	N/A
Cash on Hand	23,248	-	N/A
Petty Cash	6,228	-	N/A
Total Deposits and Investments	\$ 74,554,509	\$ 75,644,204	

Reconciliation to the Financial Statements

Per statement of net position	
Cash and investments-primary government	\$ 60,898,725
Cash and investments-component unit	610,305
Restricted cash and investments-primary government	11,428,298
Restricted cash and investments-component unit	11,244
Per statement of assets and liabilities	
Cash and investments-agency funds	1,605,937
Total cash and investments	\$ 74,554,509

La Crosse County has implemented GASB standards which establish disclosure requirements related to deposit risks: custodial credit risk and disclosure requirements for investment risk: interest rate risk, credit risk, custodial credit risk, and concentrations of credit risk.

Deposits

The County has adopted an investment policy which addresses the collateralization of its funds on deposit. It states that with the passage of Wisconsin Act 25, effective 8/1/1985 there is no longer the overall guarantee of public funds by the State. The state will continue to pledge general purposes revenues under Wisconsin Statutes 20.144 for the payment of losses on public deposits until the balance of the appropriation is exhausted. Public investment of public units of government are insured as follows: all time and savings deposits (which include NOW accounts and money market deposit accounts) are added together and insured up to \$250,000, separately all demand deposit accounts are added together and insured up to \$250,000 by the FDIC. The State's Public Deposit Guarantee Fund, created under Chapter 34 of Wisconsin Statutes protects the depositing municipality against any losses of public funds up to \$400,000. Therefore, collateralization of funds over the insured amount at any one financial institution are required. Funds on deposit must be collateralized by U.S. Treasury Obligations and/or Government Agency Securities. The County's investment policy does not address where the collateralization shall be held or in whose name it shall be held.

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

As of December 31, 2018, \$7,118,280 of the County's total bank balances were exposed to custodial credit risk as follows:

Uninsured and uncollateralized	\$ 986,470
Uninsured and collateral held by the pledging financial institution's trust department or agent not in the County's name	6,131,810
Total	\$ 7,118,280

Investments

The County has adopted an investment policy with the following primary objectives in order of importance:

- preservation of capital and to protect investment principal,
- maintain sufficient liquidity to meet cash flow needs,
- attain maximum yield possible consistent with the first two objectives, and
- full investment of all available funds

The County has authorized and will only allow investment in the following investments subject to restrictions as may be imposed by law (Section 66.0603 (1m) and 67.11(2) of Wisconsin Statutes).

1. U.S. Treasury Obligations and Government Agency Securities: Obligations of the United States of America, its agencies and investments, provided that the payment of the principal and interest is fully guaranteed by the issuer.
2. Certificate of Deposit: Certificates of deposit and other evidences of deposit from the credit unions, banks, savings banks, trust companies or savings and loan associations which are authorized to transact business in the state, which time deposits mature in not more than three years. Any Certificate of Deposit invested over the FDIC and State Deposit Guarantee Fund insured amounts are to be fully collateralized.
3. General Obligation Bonds or Securities: General Obligation bonds or securities of any county, city, drainage district, technical college district, village, town or school district of the state, if bond or security is rated in one of the two highest rating categories by Standard & Poor's Corporation, Moody's Investors Service, Inc., or other similar nationally recognized rating agency.
4. State of Wisconsin Local Government Investment Pool: Serves as a valuable complementary investment program if it has been designated as a public depository by the local governing body. The Wisconsin Local Government Pool (LGIP) is part of the State Investment Fund (SIF), and is managed by the State of Wisconsin Investment Board. The SIF is not registered with the Securities and Exchange Commission, but operates under the statutory authority of Wisconsin Statutes Chapter 25. The SIF reports the fair value of its underlying assets annually. Participants in the LGIP have the right to withdraw their funds on one day's notice. At December 31, 2018 the County's share of the LGIP's assets are reported at fair value.
5. Repurchase Agreements: Investment agreements pursuant to which 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 the State of Wisconsin agrees to repay funds advanced to the issuer, plus interest. Repurchase Agreements are to be secured by investment securities fully guaranteed by the U.S. Government or Agencies.
6. Operating Bank Account: Deposits shall be limited to the lesser of amounts guaranteed by FDIC and the State Deposit Guarantee Fund unless overnight funds in excess are fully collateralized by U.S. Government Obligations and Agency Securities.

The County was in compliance with its policy and all applicable investment statutes throughout the fiscal year.

LA CROSSE COUNTY, WISCONSIN
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LA CROSSE COUNTY, WISCONSIN
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NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Investments are stated at fair value. Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The County categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles.

The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significantly unobservable inputs.

The valuation methods for recurring fair value measurements are as follows:

- Investments are valued using quoted market prices and distinguished between Level 1 and Level 2 inputs accordingly, based on the markets and assets used to acquire the prices.

December 31, 2018

Investment Type	Level 1	Level 2	Level 3	Total
U.S. Treasury Notes	\$ 3,426,050	\$ -	\$ -	\$ 3,426,050
U.S. Agency Securities	3,043,743	19,644,698	-	22,688,441
U.S. Small Business Administration Mortgages	27,551	4,511,293	-	4,538,844
Corporate Issues	989,002	545,790	-	1,534,792
Mutual Funds - other than bond funds	11,464,860	367,900	-	11,832,760
Total Investments at Fair Value	\$ 18,951,206	\$ 25,069,681	\$ -	\$ 44,020,887

A. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The County's investment policy places no limit on the amount the County may invest in any one maturity except to maintain sufficient liquidity to meet cash flow needs.

At December 31, the County's investment maturities segmented by time are as follows:

Investment Type	Fair Value	Investment Maturities (In Years)			
		Less Than 1 Year	1 to 5 Years	6 to 10 Years	More Than 10 Years
U.S. Treasury Notes	\$ 3,426,050	\$ 965,427	\$ 2,460,623	\$ -	\$ -
U.S. Agency Securities:					
Federal National Mortgage Association (FNMA)	8,470,788	226,681	2,622,127	32,550	5,589,430
Federal Farm Credit Bank (FFCB)	1,141,493	-	1,141,493	-	-
Federal Home Loan Mortgage Corporation (FHLMC)					
Step Coupons	1,992,157	995,610	996,547	-	-
Federal Home Loan Mortgage Corporation (FHLMC)	8,960,394	-	1,111,412	5,861	7,843,121
Government National Mortgage Association (GNMA)	880,082	-	28,458	27,135	824,489
Federal Home Loan Bank (FHLB)	1,243,527	431,053	812,474	-	-
U.S. Small Business Administration Mortgages	4,538,844	-	143,971	-	4,394,873
Corporate Issues					
Discover Financial Service (DFS)	232,832	-	232,832	-	-
Synchrony Financial (SYF)	194,123	-	194,123	-	-
Wells Fargo & Company (WFC)	118,835	118,835	-	-	-
International Bank for Reconstruction and Development (IBRD)	989,002	-	989,002	-	-
Total Investments at Fair Value	\$ 32,188,127	\$ 2,737,606	\$ 10,733,062	\$ 65,546	\$ 18,651,913

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

The County's investments include U.S. government and agency securities that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above). The resultant reduction in expected total cash flows affects the fair value of these securities and makes the fair values of these securities highly sensitive to changes in interest rates.

B. Credit Risk

Credit risk is the risk of loss due to the failure or credit downgrade of an issuer or backer. Obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. Government are not considered to have credit risk. The County's investment policy does not address credit risk of its investments directly, but indirectly through its policy of following Wisconsin State Statutes regarding Security Investments it is restricted to the highest and 2nd highest security rating by nationally recognized rating agencies. At December 31, the County's investments were rated as follows:

Investment Type	Fair Value	Standard & Poor's Rating
U.S. Agency Securities		
Federal National Mortgage Association (FNMA)	\$ 5,640,795	N/A
Federal National Mortgage Association (FNMA)	2,829,993	AA+
Federal Farm Credit Bank (FFCB)	1,141,493	AA+
Federal Home Loan Mortgage Corporation (FHLMC)		
Step Coupons	1,992,157	AA+
Federal Home Loan Mortgage Corporation (FHLMC)	7,857,717	N/A
Federal Home Loan Mortgage Corporation (FHLMC)	1,102,677	AA+
Federal Home Loan Bank Board (FHLB)	1,243,527	AA+
U.S. Small Business Administration Mortgages	4,538,844	N/A
Corporate Issues		
Discover Financial Services (DFS)	232,832	N/A
Synchrony Financial (SYF)	194,123	N/A
Wells Fargo & Company (WFC)	118,835	N/A
International Bank for Reconstruction and Development (IBRD)	989,002	AAA
State of Wisconsin Local Government Investment Pool	22,900,106	Not Rated

C. Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, the County will not be able to recover the value of the investment or collateral securities that are in possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, or not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent, but not in the government's name. The County's investment policy does not address custodial credit risk for investments. County investments that are not held in the County's name and therefore subject to custodial risk are as follows:

- U.S. Agency securities totaling \$17,364,353, U.S. Small Business Administration Mortgages totaling \$4,538,844 and corporate issues totaling \$989,002 are held by Dana Investment Advisors at the fund for the benefit of La Crosse County.
- U.S. Treasuries Securities totaling \$3,426,050, U.S. Agency securities totaling \$5,324,088 and corporate issues totaling \$545,790 are held by US Bank for the benefit of La Crosse County.

D. Concentration of Credit Risk

Concentration of credit risk are investments in any one issuer (other than U.S. Treasury Securities, U.S. Agency Securities – explicitly guaranteed, Money Market Mutual Funds, or external investment pools) that represent 5% or more of the total investments of the County. The County has U.S. Small Business Administration Mortgages and implicitly guaranteed U.S. Agency Securities that represent 5% or more of the total investments.

**LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS**

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**LA CROSSE COUNTY, WISCONSIN
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NOTE 4 – RECEIVABLES

Receivables as of December 31 for the individual major funds and nonmajor, internal service, and agency funds in the aggregate, including applicable allowances for uncollectible accounts, are as follows:

Fund	Tax Certificates	Current Year Lewy	Accounts	Inter- Governmental	Notes	Allowance for Uncollectible	Total
General Fund	\$ 2,726,197	\$ 7,287,772	\$ 1,586,080	\$ 3,586,902	\$ -	\$ (95,146)	\$ 15,091,805
Human Services Fund	-	13,511,107	466,611	9,999,417	-	-	23,977,135
Business Fund	-	-	2,062	303,091	6,943,385	-	7,248,538
Debt Service Fund	-	6,138,621	-	-	-	-	6,138,621
Hillview Health Care Center Fund	-	-	1,371,015	-	-	(174,000)	1,197,015
Solid Waste Fund	-	-	959,687	1,275	-	-	960,962
Lakeview Nursing Home Facility Fund	-	-	-	795,425	-	-	795,425
Nonmajor Governmental Funds	-	4,217,059	63,397	361,212	-	-	4,641,668
Nonmajor Enterprise Funds	-	160,911	360,939	58,323	-	-	580,173
Internal Service Funds	-	3,569,154	506,322	1,366,547	-	-	5,442,023
Receivables (net of allowance for uncollectible) Statement of Net Position	2,726,197	34,884,624	5,316,113	16,472,192	6,943,385	(269,146)	66,073,365
Agency Funds	-	-	-	18,986	-	-	18,986
Total Receivables	\$ 2,726,197	\$ 34,884,624	\$ 5,316,113	\$ 16,491,178	\$ 6,943,385	\$ (269,146)	\$ 66,092,351

The receivables not expected to be collected within one year include the Business Fund revolving loan notes of \$5,667,850 and the amount due from the Village of West Salem TIF district of \$1,113,651. Within the Human Service Fund there is recorded \$1,566,541 in amounts due from clients, vendors, and the state. Finally, the Solid Waste Fund has \$142,111 of receivables for the sale of lease containers. Delinquent property taxes are collected throughout the year. Property taxes not collected timely and meeting certain requirements may be subject to foreclosure.

Property Taxes

The County's property taxes are levied on or before December 31 on the equalized valuation as of the prior January 1 for all general property located in the County. The taxes are due and payable in the following year. Such amounts are recorded as property taxes receivable and deferred inflows of resources in the accompanying financial statements. The aggregate levy of \$34,884,624 will be recognized during 2019.

Property taxes are recognized in the appropriate fund as revenues in the succeeding year when they are collected and available to finance services. If not collected by July 31st the delinquent property taxes are recorded as receivables and deferred inflows of resources in the General Fund. Delinquent property taxes are recognized as revenue when collected.

Simple interest and penalty of 1.5% percent per month delinquent property taxes are assessed by the County and recognized as revenue when received.

The County purchases uncollected property taxes from other taxing authorities at the unpaid amount to facilitate the collection of the taxes. The purchases are a financing arrangement and are not included in property tax revenue.

At this time, a settlement process between the County Treasurer and local treasurers determines the amount due the various taxing districts. Tax collection becomes the responsibility of the County and taxes receivable represent unpaid taxes levied for all taxing entities within the County. The exception to this process is the City of La Crosse, wherein the settlement process does not occur until August of each year. Periodic payments from these taxing districts to the County are made prior to August of each year.

On August 31, the tax lien date, all unpaid taxes are reflected as tax certificates. A \$20,000 allowance for losses on delinquent taxes has been provided.

NOTE 4 – RECEIVABLES (CONTINUED)

Delinquent property taxes purchased from other taxing authorities are shown as nonspendable portion of fund balance at year-end. Delinquent property taxes levied by the County are shown as deferred inflows of resources and are excluded from the fund balance until collected. At December 31, delinquent property taxes by year levied consisted of the following:

Settlement Year	Balance January 1	2018 Additions	2018 Collections	Balance December 31
2018	-	2,200,698	1,071,680	1,129,018
2017	1,155,741	-	547,545	608,196
2016	562,349	-	264,622	297,727
2015	323,020	-	110,176	212,844
2014	228,950	-	47,183	181,767
2013	119,905	-	24,704	95,201
2012	111,208	-	17,079	94,129
2011	85,985	-	16,070	69,915
2010	33,911	-	5,407	28,504
2009	10,382	-	1,486	8,896
2008	2,890	-	2,890	-
2007	5,053	-	5,053	-
2006	3,174	-	3,174	-
2005	34	-	34	-
	<u>\$ 2,642,602</u>	<u>\$ 2,200,698</u>	<u>\$ 2,117,103</u>	<u>\$ 2,726,197</u>
Less allowance for uncollectible				(20,000)
Net delinquent taxes receivable				<u>\$ 2,706,197</u>

The County holds various outstanding notes from various individuals, businesses and governments within the County. At December 31 balances are as follows:

	Business Fund
Village of West Salem TIF	\$ 1,113,651
Various revolving loan fund notes	5,829,734
Net Notes Receivable	<u>\$ 6,943,385</u>

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NOTE 5 – RESTRICTED ASSETS

Restricted assets for the year ended December 31 are as follows:

Governmental Activities	Restricted Assets	Liabilities
		Payable from Restricted Assets
WREA Income Maintenance Consortium	\$ 592,688	\$ 603,553
Net pension asset	7,781,832	-
Foster care client funds held in trust	7,876	7,876
Downtown Campus Capital Projects Fund	175,781	-
Landfill closure and post-closure care costs	543,528	-
Retention deposit in WMMIC	236,038	-
Total Governmental Activities	\$ 9,337,743	\$ 611,429

Business-type Activities	Restricted Assets	Liabilities
		Payable from Restricted Assets
Hillview Health Care Center resident funds held in trust	\$ 15,360	\$ 15,360
Premium on bonds used for debt service	707,972	155,572
Landfill closure and post-closure care costs	9,076,479	-
Net pension asset	2,063,291	-
Neshonoc Manor resident funds held in trust	818	818
Regent Manor resident funds held in trust	2,536	2,536
Maplewood CBRF resident funds held in trust	447	447
Ravenwood Nursing Home resident funds held in trust	1,262	1,262
Monarch Manor resident funds held in trust	4,691	4,691
Retention deposit in WMMIC	62,822	-
Total Business-type Activities	\$ 11,935,678	\$ 180,686

NOTE 6 – CAPITAL ASSETS

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

Governmental Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 3,356,439	\$ 1,196,146	\$ 1,922,671	\$ 2,629,914
Land	4,015,655	8,864	378,504	3,646,015
Intangibles	3,015,397	254,664	1,500	3,268,561
Total capital assets not being depreciated/amortized	10,387,491	1,459,674	2,302,675	9,544,490
Capital assets being depreciated/amortized:				
Land improvements	4,088,929	299,802	-	4,388,731
Buildings	88,322,683	373,630	-	88,696,313
Machinery and equipment	27,072,283	1,265,306	1,302,172	27,035,417
Infrastructure	107,615,508	4,950,449	-	112,565,957
Intangibles	5,468,991	586,279	-	6,055,270
Total capital assets being depreciated/amortized	232,568,394	7,475,466	1,302,172	238,741,688
Less accumulated depreciation/amortization for:				
Land improvements	2,554,887	112,273	-	2,667,160
Buildings	26,976,251	2,286,430	-	29,262,681
Machinery and equipment	17,409,673	1,424,037	1,086,652	17,747,058
Infrastructure	50,558,005	2,626,794	-	53,184,799
Intangibles	3,897,546	612,008	-	4,509,554
Total accumulated depreciation/amortization	101,396,362	7,061,542	1,086,652	107,371,252
Total capital assets being depreciated/amortized, net	131,172,032	413,924	215,520	131,370,436
Total capital assets, governmental activities, net	\$ 141,559,523	\$ 1,873,598	\$ 2,518,195	\$ 140,914,926
Depreciation/amortization expense was charged to functions as follows:				
General government	\$ 872,886			
Public safety	1,612,676			
Public works	3,590,394			
Health and human services	649,255			
Culture, recreation, and education	291,101			
Conservation and development	45,230			
Total depreciation/amortization expense	\$ 7,061,542			
Construction in progress consists of the following projects:				
Software development	\$ 24,050			
Park improvements	184,581			
County-wide emergency services system upgrade	61,506			
County Highway Fund				
Highway building improvements	187,034			
Road work	2,172,743			
Total construction in progress governmental activities	\$ 2,629,914			

LA CROSSE COUNTY, WISCONSIN
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NOTE 6 – CAPITAL ASSETS (CONTINUED)

Business-type Activities	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated/amortized:				
Construction in progress	\$ 3,272,422	\$ -	\$ 3,179,485	\$ 92,937
Land	943,173	-	-	943,173
Total capital assets not being depreciated/amortized	4,215,595	-	3,179,485	1,036,110
Capital assets being depreciated/amortized:				
Land improvements	34,870,870	4,622,489	81,903	39,411,456
Buildings	28,387,926	249,703	25,382	28,612,247
Machinery, equipment, and vehicles	8,713,578	289,150	258,468	8,744,260
Intangibles	370,289	20,706	-	390,995
Total capital assets being depreciated/amortized	72,342,663	5,182,048	365,753	77,158,958
Less accumulated depreciation/amortization for:				
Land improvements	25,268,050	352,340	74,629	25,545,761
Buildings	6,434,022	747,378	18,056	7,163,344
Machinery and equipment	6,062,016	443,542	243,638	6,261,920
Intangibles	244,238	48,426	-	292,664
Total accumulated depreciation/amortization	38,008,326	1,591,686	336,323	39,263,689
Total capital assets being depreciated/amortized, net	34,334,337	3,590,362	29,430	37,895,269
Total capital assets, business-type activities, net	\$ 38,549,932	\$ 3,590,362	\$ 3,208,915	\$ 38,931,379
Depreciation/amortization expense was charged to functions as follows:				
Hillview Health Care Center	\$ 304,970			
Lakeview Nursing Home Facility	557,335			
Solid Waste	446,089			
Apartments and assisted living facilities	251,866			
Household hazardous waste disposal services	31,426			
Total depreciation/amortization expense	\$ 1,591,686			

Construction in progress consists of the following projects:

Solid Waste Fund	
Clay soil for construction	\$ 92,937

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS

Interfund receivables and payables between individual funds of the County, as reported in the fund financial statements as of December 31 were as follows:

	Receivable From Other Funds	Payable To Other Funds
Major Governmental Funds		
General Fund	\$ 63,505	\$ 244,650
Human Services Fund	-	4,071
Business Fund	-	17,390
Major Business-Type Funds		
Hillview Health Care Center Fund	-	13,435
Nonmajor Governmental Funds		
Health Fund	-	1,527
Nonmajor Business-Type Funds		
Regent Manor Fund	-	13,201
Monarch Manor Fund	-	32,914
Internal Service Funds		
County Highway Fund	-	338
Workers Compensation Self Insurance Fund	264,021	-
Total Fund Financial Statements	\$ 327,526	\$ 327,526
Less: Government-wide eliminations		(281,411)
Total Interfund Receivables/Payables		\$ 46,115

All amounts are due within one year. The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

Interfund advances between individual funds of the County, as reported in the fund financial statements as of December 31 were as follows:

	Advance To Other Funds	Advance From Other Funds
Major Governmental Funds		
General Fund	\$ 1,002,777	\$ -
Business Fund	-	49,623
Major Business-Type Funds		
Lakeview Nursing Home Facility Fund	-	196,000
Nonmajor Business-Type Funds		
Regent Manor Fund	-	124,743
Monarch Manor Fund	-	632,411
Total	\$ 1,002,777	\$ 1,002,777
Less: Government-wide eliminations		(49,623)
Add: Interfund Receivables/Payables		46,115
Total Internal Balances - Government-wide Statement of Net Position		\$ 999,269

Interfund advance amounts are not due within one year.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 7 – INTERFUND RECEIVABLES/PAYABLES, ADVANCES, AND TRANSFERS (CONTINUED)

Interfund transfers as of December 31 were as follows:

Transfer from	Transfer to	Amount	Purpose
Major Governmental Funds			
General Fund	Health Fund	\$ 4,518	Capital asset purchase
General Fund	Human Services Fund	26,667	Resolution approved position addition
General Fund	Special Jail Assessment Fund	30,000	Jail surveillance system
General Fund	Business Fund	16,415	Budget approved contribution
General Fund	County Highway Fund	2,714,273	Highway system construction
Human Services Fund	Health Fund	16,000	Budget approved contribution
Human Services Fund	Hillview Health Care Center Fund	5,786	Equipment purchases
Human Services Fund	Regent Manor Fund	9,897	Equipment purchases
Human Services Fund	Lakeview Nursing Home Facility Fund	15,265	Equipment purchases
Business Fund	General Fund	25,000	Budget approved contribution
Nonmajor Governmental Funds			
Health Fund	General Fund	5,000	Website development
Nonmajor Business-Type Funds			
Maplewood CBRF Fund	Ravenwood Nursing Home Fund	70,000	Daily operations
Neshonoc Manor Fund	Ravenwood Nursing Home Fund	65,000	Daily operations
Total		\$ 3,003,821	
Less: Government-wide eliminations		(2,972,873)	
Total Transfers - Government-Wide Statement of Activities		\$ 30,948	

Generally, transfers are used to (1) move revenues from the fund that collects them to the fund that the budget requires to expend them and (2) use restricted revenues collected in the general fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 8 – LONG-TERM OBLIGATIONS

The County's long-term obligation activity for the year ended December 31 was as follows:

	Balance January 1	Additions	Reductions	Balance December 31	Due Within One Year
Governmental Activities					
General Obligation Debt					
(1) 2007A General Obligation Bonds	\$ 170,000	\$ -	\$ 55,000	\$ 115,000	\$ 55,000
(3) 2010C General Obligation Refunding Bonds	2,220,000	-	370,000	1,850,000	275,000
(4) 2010D General Obligation Refunding Bonds	2,480,000	-	195,000	2,285,000	200,000
(5) 2013A General Obligation Bonds	3,595,000	-	570,000	3,025,000	580,000
(6) 2014A General Obligation Bonds	2,850,000	-	470,000	2,380,000	560,000
(7) 2015A General Obligation Bonds	12,250,000	-	840,000	11,410,000	750,000
(14) 2016A General Obligation Refunding Bonds	30,585,000	-	2,175,000	28,410,000	2,250,000
(18) 2017B General Obligation Promissory Note	2,725,000	-	-	2,725,000	260,000
(19) 2018A General Obligation Promissory Note	-	2,765,000	-	2,765,000	25,000
	56,875,000	2,765,000	4,675,000	54,965,000	4,955,000
Bond Premium	2,651,458	-	305,675	2,345,783	305,675
Total Governmental Activities Bonds and Notes Payable	59,526,458	2,765,000	4,980,675	57,310,783	5,260,675
(9) Compensated Absences *	6,933,198	3,178,637	2,914,993	7,196,842	2,322,798
(10) Post Employment Benefit Obligations	3,954,571	467,656	208,219	4,214,008	-
(11) Landfill Post-closure Care	511,352	-	22,510	488,842	24,270
(13) Note Payable State of Wisconsin	262,485	-	11,908	250,577	-
(16) Net Pension Obligation	2,118,274	-	2,118,274	-	-
Total Governmental Activities Long-term Liabilities	\$ 73,306,338	\$ 6,411,293	\$ 10,256,579	\$ 69,461,052	\$ 7,607,743
* Compensated absences includes \$228,085 of Internal Service Funds					
Business-type Activities					
General Obligation Debt					
(2) 2010A General Obligation Bond	\$ 1,675,000	\$ -	\$ 110,000	\$ 1,565,000	\$ 115,000
(17) 2017A General Obligation Bond	16,130,000	-	-	16,130,000	555,000
Revenue Loan					
(8) 2015 State Trust Fund Revenue Loan	5,045,350	-	547,635	4,497,715	569,541
(15) 2016 State Trust Fund Revenue Loan	7,022,710	-	670,521	6,352,189	695,665
	29,873,060	-	1,328,156	28,544,904	1,935,206
Bond Premium	1,333,775	-	68,988	1,264,787	68,988
Bond Discount	(15,796)	-	(1,215)	(14,581)	(1,215)
Total Business-type Activities Bonds and Notes Payable	31,191,039	-	1,395,929	29,795,110	2,002,979
(9) Compensated Absences	581,133	563,101	581,133	563,101	563,101
(12) Landfill Post-closure Care	9,165,973	-	1,059,257	8,106,716	13,031
(16) Net Pension Obligation	577,755	-	577,755	-	-
Total Business-type Activities Long-term Liabilities	\$ 41,515,900	\$ 563,101	\$ 3,614,074	\$ 38,464,927	\$ 2,579,111

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

(1)	\$ 115,000	Principal due in annual installments ranging from \$55,000 to \$60,000; interest due semi-annually at 3.65% to 4.00%. Final installment is due October 1, 2020. This debt is being used to finance infrastructure improvements to property within the County's industrial park. This debt is being serviced by the Business Fund.
(2)	1,565,000	Principal due in annual installments ranging from \$110,000 to \$150,000; interest due semi-annually at 0.8% to 5.6%. Final installment is due October 1, 2030. This debt is being serviced by the Hillview Terrace Fund.
(3)	1,850,000	Principal due in annual installments ranging from \$25,000 to \$370,000; interest due semi-annually at 0.65% to 5.0%. Final installment is due April 1, 2026. Portions of this debt are being serviced by the Business Fund and by the Debt Service Fund.
(4)	2,285,000	Principal due in annual installments ranging from \$195,000 to \$265,000; interest due semi-annually ranging from 2.0% to 4.0%. Final installment is due April 1, 2028. This debt is being serviced by the Debt Service Fund.
(5)	3,025,000	Principal due in annual installments ranging from \$570,000 to \$630,000; interest due semi-annually ranging from 2% to 2.3%. Final installment is due October 1, 2023. This debt is being serviced by the Debt Service Fund.
(6)	2,380,000	Principal due in annual installments ranging from \$120,000 to \$580,000; interest due semi-annually ranging from 2% to 2.5%. Final installment is due October 1, 2024. This debt is being serviced by the Debt Service Fund and Business Fund.
(7)	11,410,000	Principal due in annual installments ranging from \$480,000 to \$840,000; interest due semi-annually ranging from 2% to 5%. Final installment is due October 1, 2035. This debt is being serviced by the Debt Service Fund.
(8)	4,497,715	Principal and interest due in annual installments of \$749,449 with interest rate of 4.0%. Final installment is due March 15, 2025. This debt is being serviced by sanitary landfill fees within the Solid Waste Fund.
(9)	7,759,943	Accrued amount of sick pay, vacation, and compensatory time credits of County employees. The General Fund services compensated absences related to the sick leave liability for all the funds. Accrued vacation is considered payable within one year and is serviced within the applicable governmental activities, business-type activities, or proprietary fund statement of net position.
(10)	4,214,008	Post-employment benefit obligation that is applicable to the governmental funds. See Note 12 for further explanation of the County's liability at December 31. The Health Self-Insurance Fund services the post-employment benefit obligation liability for all the funds.
(11)	488,842	The old landfill is closed and only post-closure care remains. See Note 15 for an explanation of the County's liability at December 31. This debt is being serviced by the Old Landfill Fund.
(12)	8,106,716	Estimated liability for closure and post-closure costs of the ash monofill and the sanitary landfill, and post-closure costs for the demolition landfill which has been closed. This liability will be funded through user fees within the Solid Waste Fund.
(13)	250,577	Loan payable to the State of Wisconsin Department of Administration. Payments of \$992 per month, at zero percent interest, have been deferred until further decisions are made by the State regarding the CDBG close process. This loan will be serviced by the Business Fund.
(14)	28,410,000	Principal due in annual installments ranging from \$640,000 to \$2,495,000; interest due semi-annually ranging from 1.625% to 3%. Final installment is due October 1, 2035. This debt is being serviced by the Debt Service Fund.

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

(15)	6,352,189	Principal and interest due in annual installments of \$933,872 with interest rate of 3.75%. Final installment is due March 15, 2026. This debt is being serviced by sanitary landfill fees within the Solid Waste Fund.
(16)	-	Liability for the County's proportionate share of the net pension liability related to the WRS pension plan. This liability is serviced within the applicable governmental activities, business-type activities, or proprietary fund statement of net position. At December 31, the WRS pension plan had an asset balance.
(17)	16,130,000	Principal due in annual installments ranging from \$555,000 to \$1,145,000; interest due semi-annually ranging from 3.15% to 5%. Final installment is due April 1, 2037. This debt is being serviced by the Lakeview Nursing Home Facility Fund.
(18)	2,725,000	Principal due in annual installments ranging from \$250,000 to \$355,000; interest due semi-annually ranging from 2% to 5%. Final installment is due April 1, 2027. This debt is being serviced by the Debt Service Fund.
(19)	2,765,000	Principal due in annual installments ranging from \$25,000 to \$340,000; interest due semi-annually ranging from 2% to 2.9%. Final installment is due April 1, 2028. This debt is being serviced by the Debt Service Fund.

General Obligation Debt

Principal and interest requirements for the general obligation debt issues are as follows:

	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2019	\$ 4,955,000	\$ 1,570,028	\$ 670,000	\$ 689,903
2020	5,335,000	1,435,906	695,000	659,818
2021	5,405,000	1,294,355	730,000	625,353
2022	5,400,000	1,117,985	760,000	588,823
2023	5,135,000	937,696	800,000	550,068
2024 - 2028	19,030,000	2,703,671	4,590,000	2,102,113
2029 - 2033	6,740,000	969,419	5,070,000	1,073,323
2034 - 2037	2,965,000	123,545	4,380,000	276,225
	<u>\$ 54,965,000</u>	<u>\$ 10,152,605</u>	<u>\$ 17,695,000</u>	<u>\$ 6,565,626</u>

Pursuant to Section 67.03 Wisconsin Statutes, the total indebtedness of the County for general purposes may not exceed 5% of the value of the taxable property located therein for state purposes.

Equalized Value	\$ 10,035,854,500
Debt Margin Percentage	<u>5%</u>
Legal Debt Limit	501,792,725
Outstanding General Obligation Debt	\$ 72,660,000
Less Amount Available in the Debt Service Fund	<u>418,539</u>
Total Amount of Debt Applicable to Debt Margin	72,241,461
Legal Debt Margin	<u>\$ 429,551,264</u>

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 8 – LONG-TERM OBLIGATIONS (CONTINUED)

Revenue Loans

The 2015 and 2016 state trust fund loans are payable solely from and secured by pledged revenues of the Solid Waste Fund under the contract by which the County is required to make annual payments in amounts sufficient to pay the principal and interest of the loan. Annual principal and interest payments on the bonds are expected to require less than 14.0% of net revenues.

Principal and interest requirements for the revenue loan issue are as follows:

	Business-type Activities	
	Principal	Interest
2019	\$ 1,265,206	\$ 418,116
2020	1,313,064	370,258
2021	1,364,795	318,527
2022	1,417,515	265,807
2023	1,472,273	211,049
2024 - 2026	4,017,051	283,464
	<u>\$ 10,849,904</u>	<u>\$ 1,867,221</u>

NOTE 9 – LEASE DISCLOSURES

The County has no material capital leases as lessee or lessor.

The County does lease multiple Sheriff Department squad vehicles through operating leases with a third party vendor for periods ranging from 2019 through 2022. Operating leases at December 31, 2018, provide for future minimum lease payments payable by the County as follows:

Year	Governmental Activities	
	Year	Amount
2019	\$	33,103
2020		20,457
2021		13,940
2022		3,195
	<u>\$</u>	<u>70,695</u>

Lease payments for the year ended December 31, 2018, totaled \$43,908.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – NET POSITION / FUND BALANCE

Government-wide Statements

Net position is classified into three components:

- Net investment in capital assets – Consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- Restricted – Consists of amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- Unrestricted – Consists of all other amounts that do not meet the definition of “restricted” or “net investment of capital assets.”

The calculation of net position as of December 31 is as follows:

	Governmental Activities	Business-type Activities
Net investment in capital assets		
Capital Assets, Net of Accumulated Depreciation	\$ 140,914,926	\$ 38,931,379
Less Outstanding Long-term Debt	(57,310,783)	(29,795,110)
Plus Noncapital Related Long-term Debt	2,665,000	4,497,715
Less Other Capital Related Liabilities	(158,886)	(141,121)
Total net investment of capital assets	<u>86,110,257</u>	<u>13,492,863</u>
Restricted		
For debt service	24,231	707,972
For elderly programs	338,354	-
For land records	207,069	-
For business fund	7,416,395	-
For human service programs	1,889,391	-
For environmental programs	494,503	-
For library programs	442,987	-
For urban transportation	168,247	-
For register of deeds	29,845	-
For special jail assessments	45,893	-
For dog licenses	1,000	-
For pensions	7,781,832	2,063,291
For other purposes	44,066	-
Total restricted	<u>18,883,813</u>	<u>2,771,263</u>
Unrestricted	<u>39,193,828</u>	<u>12,011,128</u>
Total Net Position	<u>\$ 144,187,898</u>	<u>\$ 28,275,254</u>

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – NET POSITION / FUND BALANCE (CONTINUED)

Fund Statements

Governmental fund balance is reported on the fund financial statements as follows:

- a. Nonspendable—includes fund balance amounts that cannot be spent either because they are not in spendable form or because legal or contractual requirements require them to be maintained intact.
- b. Restricted—includes fund balance amounts with constraints placed on their use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.
- c. Committed—includes fund balance amounts that are constrained for specific purposes that are internally imposed by the County through formal action of the highest level of decision making authority. Fund balance amounts are committed through the following: 1) a formal action of resolution by the County Board of Supervisors. 2) All remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor assigned. Formal action must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Supervisors that originally created the commitment.
- d. Assigned—includes spendable fund balance amounts that are intended to be used for specific purposes that are not considered restricted or committed. The Board of Supervisors has adopted a fund balance policy authorizing the Executive Committee to assign amounts for a specific purpose. Assignments may take place after the end of the reporting period.
- e. Unassigned—includes residual positive fund balance within the General Fund which has not been classified within the other aforementioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

County ordinance requires that the General Fund maintain a minimum unassigned fund balance between 25 to 50 percent of the total of the General Fund expenditures. Unassigned fund balance falling below this minimum level should be replenished within the succeeding calendar year per County ordinance. At December 31, this percentage was 59.2 percent.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the County considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the County considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the County Board has provided otherwise in its commitment or assignment action.

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 10 – NET POSITION / FUND BALANCE (CONTINUED)

The calculation of fund balance at December 31 is as follows:

	General Fund	Human Services Fund	Business Fund	Debt Service Fund	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable:						
Delinquent property taxes	\$ 2,706,197	\$ -	\$ -	\$ -	\$ -	\$ 2,706,197
Advances	1,002,777	-	-	-	-	1,002,777
Inventory and prepayments	486,491	9,061	-	-	73,794	569,346
Total Nonspendable:	4,195,465	9,061	-	-	73,794	4,278,320
Restricted for:						
Post-closure costs	-	-	-	-	488,842	488,842
Register of deeds	29,845	-	-	-	-	29,845
Land record assessments	-	-	-	-	207,069	207,069
Special jail assessments	-	-	-	-	45,893	45,893
WREA Consortium	-	1,889,391	-	-	-	1,889,391
Economic development loans	-	-	974,164	-	-	974,164
Library	-	-	-	-	421,802	421,802
Metropolitan planning	168,247	-	-	-	-	168,247
Environmental impact	494,543	-	-	-	-	494,503
Dog licenses	-	-	-	-	1,000	1,000
Subsequent year budget items	-	-	-	-	28,042	28,042
Carryforwards	-	-	-	-	21,125	21,125
Elderly programs	-	101,134	-	-	209,178	310,312
UW Extension programs	44,066	-	-	-	-	44,066
Debt service	-	-	-	418,539	-	418,539
Future capital projects	-	-	-	-	175,781	175,781
Total Restricted:	736,661	1,990,525	974,164	418,539	1,598,732	5,718,621
Committed for:						
Old landfill project	-	-	-	-	54,697	54,697
Neshonoc improvements	45,335	-	-	-	-	45,335
Lakeview capital	891,041	-	-	-	-	891,041
Elderly programs	-	665,284	-	-	-	665,284
Human service programs	-	3,888,826	-	-	-	3,888,826
Parks	23,966	-	-	-	-	23,966
Health programs	-	-	-	-	1,502,320	1,502,320
Harbor Commission	21,999	-	-	-	-	21,999
Neighborhood Revitalization	705,854	-	-	-	-	705,854
Homelessness	461,459	-	-	-	-	461,459
Total Committed:	2,149,654	4,554,110	-	-	1,557,017	8,260,781
Assigned for:						
Subsequent year budget items	1,767,099	-	-	-	-	1,767,099
Carryforward projects	2,359,010	93,033	-	-	116,244	2,568,287
Purchase orders	448,451	-	-	-	-	448,451
Park plaza proceeds	261,653	-	-	-	-	261,653
Total Assigned:	4,836,213	93,033	-	-	116,244	5,045,490
Unassigned						
	20,710,833	-	-	-	-	20,710,833
	\$ 32,628,826	\$ 6,646,729	\$ 974,164	\$ 418,539	\$ 3,345,787	\$ 44,014,045

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

NOTE 11 – EMPLOYEES’ RETIREMENT SYSTEM

General Information about the Pension Plan

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 1,200 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 issues a standalone Comprehensive Annual Financial Report (CAFR), which can be found at <http://etf.wi.gov/publications/cafr.htm>.

Vesting

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

Benefits Provided

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

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

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

The WRS also provides death and disability benefits for employees.

Post-Retirement Adjustments

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

NOTE 11 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

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

<u>Year</u>	<u>Core Fund Adjustment</u>	<u>Variable Fund Adjustment</u>
2008	6.6%	0%
2009	(2.1)	(42)
2010	(1.3)	22
2011	(1.2)	11
2012	(7.0)	(7)
2013	(9.6)	9
2014	4.7	25
2015	2.9	2
2016	0.5	(5.0)
2017	2.0	4.0

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, and Executives and Elected Officials. Starting on January 1, 2016, the Executives and 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 \$3,334,883 in contributions from the County and \$274,325 in contributions from MVHS.

Contribution rates for the plan year reported as of December 31, 2018 are:

<u>Employee Category</u>	<u>Employee</u>	<u>Employer</u>
General (including teachers, executives, and elected officials)	6.8%	6.8%
Protective with Social Security	6.8%	10.6%
Protective without Social Security	6.8%	14.9%

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

At December 31, 2018, La Crosse County reported an asset of (\$9,845,123) for its proportionate share of the net pension asset and MVHS reported (\$809,475) for its proportionate share. The net pension asset was measured as of December 31, 2017, and the total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of December 31, 2016 rolled forward to December 31, 2017. No material changes in assumptions or benefit terms occurred between the actuarial valuation date and the measurement date. La Crosse County’s and MVHS’s proportion of the net pension asset were based on their share of contributions to the pension plan relative to the contributions of all participating employers. At December 31, 2017, La Crosse County’s proportion was 0.33158404%, which was an increase of 0.00449087% from its proportion measured as of

December 31, 2016. MVHS’s proportion was .02726314%, which was a decrease of .00492486% from its proportion measured as of December 31, 2016.

**LA CROSSE COUNTY, WISCONSIN
NOTES TO BASIC FINANCIAL STATEMENTS**

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NOTE 11 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

For the year ended December 31, 2018, La Crosse County recognized pension expense of \$4,707,084 and MVHS recognized pension expense of \$354,565.

At December 31, 2018, La Crosse County reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	La Crosse County		MVHS	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 12,462,074	\$ 5,543,262	\$ 1,074,859	\$ 788,866
Changes in assumptions	1,842,878	-	262,262	-
Net differences between projected and actual earnings on pension plan investments	-	14,139,083	-	504,672
Changes in proportion and differences between employer contributions and proportionate share of contributions	70,480	18,160	9,082	1,493
Employer contributions subsequent to the measurement date	3,322,285	-	261,981	-
Total	\$ 17,697,717	\$ 19,700,505	\$ 1,608,184	\$ 1,295,031

\$3,322,285 and \$261,981 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, 2019 in the respective entity. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

La Crosse County			
Year ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
2019	\$ 9,705,951	\$ 8,830,459	\$ 875,492
2020	8,586,909	8,830,459	(243,550)
2021	3,085,477	6,476,741	(3,391,264)
2022	2,863,738	5,452,321	(2,588,583)
2023	22,868	36	22,832

MVHS			
Year ended December 31:	Deferred Outflows of Resources	Deferred Inflows of Resources	Net Amount
2019	\$ 1,144,080	\$ 838,292	\$ 305,788
2020	1,012,174	838,292	173,882
2021	363,698	614,849	(251,151)
2022	337,560	517,599	(180,039)
2023	2,695	3	2,692

**LA CROSSE COUNTY, WISCONSIN
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December 31, 2018

NOTE 11 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

The total pension liability in the December 31, 2017, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Actuarial Valuation Date:	December 31, 2016
Measurement Date of Net Pension Liability (Asset)	December 31, 2017
Actuarial Cost Method:	Entry Age
Asset Valuation Method:	Fair Market Value
Long-Term Expected Rate of Return:	7.2%
Discount Rate:	7.2%
Salary Increases:	
Inflation	3.2%
Seniority/Merit	0.2% - 5.6%
Mortality:	Wisconsin 2012 Mortality Table
Post-retirement Adjustments*	2.1%

* No post-retirement adjustment is guaranteed. Actual adjustments are based on recognized investment return, actuarial experience and other factors. 2.1% is the assumed annual adjustment based on the investment return assumption and the post-retirement discount rate.

Actuarial assumptions are based upon an experience study conducted in 2015 using experience from 2012 – 2014. The total pension liability for December 31, 2017 is based upon a roll-forward of the liability calculated from the December 31, 2016 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, 2017			
Core Fund Asset Class	Asset Allocation %	Long-Term Expected Nominal Rate of Return %	Long-Term Expected Real Rate of Return %
Global Equities	50	8.2	5.3
Fixed Income	24.5	4.2	1.4
Inflation Sensitive Assets	15.5	3.8	1.0
Real Estate	8	6.5	3.6
Private Equity/Debt	8	9.4	6.5
Multi-Asset	4	6.5	3.6
Total Core Fund	110	7.3	4.4
Variable Fund Asset Class			
U.S. Equities	70	7.5	4.6
International Equities	30	7.8	4.9
Total Variable Fund	100	7.9	5.0

New England Pension Consultants Long Term US CPI (Inflation) Forecast: 2.75%
Asset Allocations are managed within established ranges; target percentages may differ from actual monthly allocations

LA CROSSE COUNTY, WISCONSIN
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LA CROSSE COUNTY, WISCONSIN
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NOTE 11 – EMPLOYEES’ RETIREMENT SYSTEM (CONTINUED)

Single discount rate. A single discount rate of 7.20% was used to measure the total pension liability. This single discount rate was based on the expected rate of return on pension plan investments of 7.20% and a long term bond rate of 3.31%. Because of the unique structure of WRS, the 7.20% expected rate of return implies that a dividend of approximately 2.1% will always be paid. For purposes of the single discount rate, it was assumed that the dividend would always be paid. The projection of cash flows used to determine this single discount rate assumed that plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments (including expected dividends) of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of La Crosse County’s and MVHS’s proportionate shares of the net pension liability (asset) to changes in the discount rate. The following presents La Crosse County’s and MVHS’s proportionate shares of the net pension liability (asset) calculated using the discount rate of 7.20%, as well as what La Crosse County’s and MVHS’s proportionate shares of the net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (6.20%) or 1-percentage-point higher (8.20%) than the current rate:

	1% Decrease to Discount Rate (6.20%)	Current Discount Rate (7.20%)	1% Increase To Discount Rate (8.20%)
La Crosse County’s proportionate share of the net pension liability (asset)	\$25,472,696	(\$9,845,123)	(\$36,687,758)
MVHS’s proportionate share of the net pension liability (asset)	2,094,388	(809,475)	(3,016,501)

Pension plan fiduciary net position. Detailed information about the pension plan’s fiduciary net position is available in separately issued financial statements at <http://etf.wi.gov/publications/cafr.htm>.

At December 31, 2018, La Crosse County reported a payable to the pension plan of \$547,442, which represents contractually required contributions outstanding as of the end of the year.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – OPEB

General Information about the OPEB Plan

Plan Description

The County administers a single-employer defined benefit healthcare plan. The County provides post-retirement medical care benefits, in accordance with union contracts and the County’s personnel policy, to all retirees and their spouses who are eligible to receive the benefit. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75. The plan does not issue a publicly available financial report.

All employees are eligible based on the following criteria: (1) any current retiree who has applied for WRS annuity; (2) retirees who have 30 or more years of service.

Benefits Provided

Upon retirement, eligible retirees may remain on the County’s group medical plan provided that the retiree self-pays the full (100%) required medical premium amount. The group medical plan covers both active and retired members.

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – OPEB (CONTINUED)

Eligible retirees will also receive 85% of their accumulated unused sick leave as a cash payment at retirement date. The County’s group health insurance plan provides coverage to active employees and retirees at blended premium rates. This results in an other post-employment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

Employees Covered by Benefit Terms

At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving	39
Active plan members	1,031
Total plan members	1,070

Total OPEB Liability

The County’s total OPEB liability of \$4,214,008 was measured as of December 31, 2017, and was determined by an actuarial valuation as of that date.

Actuarial Assumptions and Other Inputs

The total OPEB liability in the actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date:	December 31, 2017
Measurement Date:	December 31, 2017
Actuarial Cost Method:	Entry Age Normal (level percent of salary)
Healthcare Cost Trend:	7.5% decreasing by 0.5% per year down to 6.5%, then by 0.1% per year down to 5.0%, and level thereafter
Discount Rate:*	3.5%
Salary Increases:	
Inflation	3.0%
Seniority/Merit	0.4% - 4.8%
Mortality:	Wisconsin 2012 Mortality Table
Retirees’ share of benefit-related costs:	
Monthly medical premium	100% cost
Yearly age increase	3.25 – 4.00%

* Implicit in this rate is an assumed rate of inflation of 2.50%

The discount rate was based on Bond Buyer 20-Bond GO Index.

Actuarial assumptions are based upon an experience study conducted in 2015 using Wisconsin Retirement System (WRS) experience from 2012 – 2014.

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NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – OPEB (CONTINUED)

Changes in the OPEB Liability

	Total OPEB Liability
Beginning Balance	\$ 3,954,571
Changes for the year:	
Service Cost	327,164
Interest	140,492
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	-
Benefit payments	(208,219)
Net Changes	259,437
Ending Balance	<u>\$ 4,214,008</u>

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the total OPEB liability of La Crosse County calculated using the discount rate of 3.50%, as well as what the County's OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50%) or 1-percentage-point higher (4.50%) than the current rate:

	1% Decrease (2.50%)	Current Rate (3.50%)	1% Increase (4.50%)
Total OPEB liability	\$4,514,935	\$4,214,008	\$3,929,185

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The following presents the total OPEB liability of La Crosse County calculated using the healthcare cost trend rate of 7.50% decreasing to 5.00%, as well as what the County's OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (6.50% decreasing to 4.00%) or 1-percentage-point higher (8.50% decreasing to 6.00%) than the current rate:

	1% Decrease (6.50% decreasing to 4.00%)	Current Rate (7.50% decreasing to 5.00%)	1% Increase (8.50% decreasing to 6.00%)
Total OPEB liability	\$3,811,704	\$4,214,008	\$4,684,876

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

For the year ended December 31, 2018, the County recognized OPEB expense of \$467,656. At December 31, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	-
Employer contributions subsequent to the measurement date	71,780	-
Total	<u>\$ 71,780</u>	<u>\$ -</u>

NOTE 12 – OTHER POST-EMPLOYMENT BENEFITS – OPEB (CONTINUED)

Deferred outflows of \$71,780 related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2019.

NOTE 13 – SELF FUNDED INSURANCE AND RISK MANAGEMENT

The County is exposed to various risks of loss, including general liability, employee health and dental, and worker's compensation claims. The County maintains three internal service funds to account for this activity. The Health and Worker's Compensation Self-Insurance Funds were established to account for and finance losses from employee claims, and the Liability Self-Insurance Fund was established to account for losses associated with general liability claims incurred. The County continues to carry commercial insurance to provide coverage for losses from, theft of, damages to, or destruction of property, including general liability coverage for the nursing homes. Settled claims have not exceeded the commercial coverage in any of the past three years. There were no significant changes in insurable risks or coverage during the year.

Health Self-Insurance Fund

The Health Self-Insurance Fund provides coverage up to a maximum of \$175,000 plus an additional aggregate retention of \$90,000 per specific loss and \$19,750,221 for the minimum aggregate of contracts for medical claims, and provides partial coverage for dental claims. The County purchases commercial insurance for claims in excess of the coverage provided by the Fund.

All funds of the County participate in the program and make payments to the Health Self-Insurance Fund based upon actuarial estimates of the amounts needed to pay prior and current year claims. Changes in the Fund's claims liability amounts were as follows:

	Claims Payable January 1	Claims and Changes in Estimates	Claim Payments	Claims Payable December 31
2017	\$1,299,702	\$ 14,444,734	\$ (14,636,201)	\$1,108,235
2018	1,108,235	13,958,234	(13,943,317)	1,123,152

The claims liabilities of \$1,123,152 reported above at December 31, are based upon the requirements of GASB standards, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

Workers Compensation Self-Insurance Fund

The County is fully self-insured for worker's compensation claims liabilities. All funds of the County participate in this program. The County pays premiums for stop loss coverage equal to \$500,000 per occurrence and \$3,470,405 in the aggregate. Each fund is billed based upon actual claims paid to employees and administrative expenses incurred.

	Claims Payable January 1	Claims and Changes in Estimates	Claim Payments	Claims Payable December 31
2017	\$ 188,159	\$ 243,946	\$ (225,804)	\$ 206,301
2018	206,301	285,846	(226,279)	265,868

The claims liabilities of \$265,868 reported above at December 31, are based upon the requirements of GASB standards, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The County expects that all claims payable will be paid within the next year.

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LA CROSSE COUNTY, WISCONSIN
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NOTE 13 – SELF FUNDED INSURANCE AND RISK MANAGEMENT (CONTINUED)

Liability Self-Insurance Fund

The County is one of eighteen municipalities that are members of Wisconsin Municipal Mutual Insurance Company (WMMIC) which has provided risk management and liability insurance services. The County became a member of WMMIC on January 1, 1988, by issuing a general obligation note for and investing the proceeds in WMMIC. Each member municipality appoints one policy holder to serve as a representative to WMMIC. The policy holders elect a seven member board of directors who are responsible for financing and budget control.

The County pays annual premiums to WMMIC for its general insurance coverage and establishes a self-insured retention deposit for the payment of small claims. The self-insurance retention deposit provides coverage for up to a maximum of \$150,000 for each claim, with an annual aggregate of \$475,000. WMMIC provides the coverage for claims in excess of these amounts up to a maximum of \$10 million per occurrence, \$30 million annual aggregate.

The policy is non-assessable. The County's share of participation is determined on a basis of prior claim history and can be affected by acceptance of new members and their respective shares are shown below:

	<u>Percent Share</u>
Eau Claire County	3.84%
City of Madison	15.01
Waukesha County	9.80
Brown County	6.92
Dane County	9.01
Outagamie County	5.94
Manitowoc County	5.55
Kenosha County	5.97
City of Eau Claire	3.19
Chippewa County	3.21
La Crosse County	3.44
City of La Crosse	1.42
Dodge County	3.76
St. Croix County	3.47
Rock County	5.05
Walworth County	5.57
Jefferson County	2.81
Marathon County	6.04
Total	<u>100.00%</u>

The County utilizes the Liability Self-Insurance Fund to account for this activity, and claims incurred during years when the County did not maintain general liability insurance coverage. The claims liability of \$889,384 in the fund at December 31, is based on the requirements of GASB standards, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicate that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amounts were as follows:

	<u>Claims Payable</u>	<u>Claims and Changes in Estimates</u>	<u>Claim Payments</u>	<u>Claims Payable December 31</u>
2017	\$ 767,196	\$ 545,442	\$ (204,615)	\$1,108,023
2018	1,108,023	(120,920)	(97,719)	889,384

The County's capital deposit in WMMIC is reported on the Liability Self-Insurance Fund balance sheet in the amount of \$685,036. According to its bylaws, WMMIC allocates equity to members based on a percentage of participation. At December 31, the equity allocated to La Crosse County was \$1,013,054.

The County's equity share is recorded in these financial statements.

NOTE 14 – COMPONENT UNIT – MISSISSIPPI VALLEY HEALTH SERVICES COMMISSION

This report contains the Mississippi Valley Health Services Commission (MVHS), which is included as a component unit of the County of La Crosse, State of Wisconsin. Financial information is presented as a discrete column in the statement of net position and statement of activities. MVHS is a legally separate governmental organization that was formed in 2009 for the purpose of organizing and establishing a multi-jurisdictional public entity which operates a nursing home facility for the elderly and developmentally disabled. MVHS is governed by thirteen counties, each who appoint one member by the respective participating counties. La Crosse County Board exercises its will by appointing three members to MVHS of which two members must serve as the president and vice president, respectively. The County contracts with MVHS to provide personnel and human resources related to the administration and management of the nursing home, as well as provide financial resources for the operations, including any incidental costs or services.

In addition to the basic financial statements and the preceding notes to financial statements which apply, the following additional disclosures are considered necessary for a fair presentation.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

MVHS follows the governmental enterprise fund accounting and uses the accrual basis of accounting and the flow of economic resources measurement focus.

Receivables

Receivables are recorded at their gross value. Receivables include private pay balances, medical assistance, County assessments, and Title XIX intergovernmental transfer program payments. No amounts are considered uncollectible based on management's analysis of individual receivable balances.

Revenues

Daily patient service revenue includes amounts billed to Medicare, Medical Assistance, and the Veteran's Administration, in addition to private sources. Also, the participating counties are charged an assessment rate per day for each patient day for residents placed in the facility.

Lease and Administrative Agreement

MVHS has entered into a lease and administrative agreement with the County of La Crosse to provide personnel and human resources related to the administration and operation of Lakeview Health Center, a nursing home and facility for the elderly and developmentally disabled. Under the term of the agreement, MVHS purchases personnel, accounting and cash management services. In addition, MVHS pays rent to the County to cover utilities, insurance, repairs to the building and an amount equal to depreciation/amortization expense on the equipment and facilities. The agreement commenced on July 1, 2009 and will continue until December 31, 2022 on a calendar fiscal year.

La Crosse County pays MVHS a member assessment based on patient days of care. In addition, the County pays the difference between the sum of the assessments of all members and the actual costs of MVHS's operations, as determined in the MVHS Medicaid cost reports filed with the State of Wisconsin. During the year, the County paid MVHS \$1,562,040 in member assessments and has an outstanding payable to MVHS of \$132,480.

Employee Retirement System

All eligible MVHS employees participate in the Wisconsin Retirement System (WRS), a cost-sharing, multiple-employer, defined benefit, public employee retirement system, as part of the primary government's plan. See Note 11.

LA CROSSE COUNTY, WISCONSIN
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NOTE 15 – LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS

La Crosse County currently has four landfill sites: The “new” landfill site, the demolition landfill site, the ash monofill landfill and the “old” landfill site which is closed and is being monitored. These sites are being accounted for as follows:

New Landfill, Ash Monofill and Demolition – Solid Waste Enterprise Fund

State and federal laws and regulations require that La Crosse County place a final cover on these landfills when closed and perform certain maintenance and monitoring functions at the new landfill sites for forty years after closure. In addition to operating expenses related to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and post-closure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and post-closure care costs is based on the amount of the landfills used during the year. At present, after recent construction, it is estimated that the new landfill is 65% filled, the demolition landfill was closed in 2008, and the ash monofill landfill is 94% filled. Following the extension of a Waste to Energy contract and plan modification, the ash monofill landfill is expected to last until 2023 while the new landfill is currently expected to last until 2035. The estimated liability for landfill closure and post-closure care costs and total future estimated costs as of December 31 is as follows:

Total estimated costs for construction, closure, and post-closure care	\$ 11,552,796
Estimated costs expended through December 31	<u>(8,106,716)</u>
Estimated costs of construction, closure, and post-closure care to be recognized in future years	<u>\$ 3,446,080</u>

The estimated total current cost of the landfill construction, closure and post-closure care of \$8,106,716 is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31. However, the actual cost of closure and post-closure care may be different due to inflation, changes in technology, or changes in landfill laws and regulations.

With respect to these landfills, La Crosse County is required by state and federal laws and regulations to make annual contributions to finance closure and post-closure care. The County is in compliance with these requirements, and at December 31 investments of \$9,076,479 are held for these purposes. These investments are held and managed by the County and are presented on the County's statement of net position as “Restricted Cash and Investments.” It is anticipated that future inflation costs will be financed in part from earnings on investments. The remaining portion of anticipated future inflation costs (including inadequate earnings on investments, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by charges to future landfill users, tax levy, or both.

Old Landfill – Special Revenue Fund

La Crosse County also has an old landfill that is currently no longer accepting waste and is being monitored. The estimated liability for post-closure care costs has a balance of \$488,842 as of December 31. The estimated total current cost of the landfill post-closure care is based on the amount that would be paid if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31. However, the actual cost of post-closure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

La Crosse County was required by state and federal laws and regulations to make contributions to finance closure and post-closure care. The County is in compliance with these requirements, and at December 31 investments of \$543,528 are held for these purposes. These investments are held and managed by the County and are presented on the County's balance sheet as “Restricted Cash and Investments.” It is anticipated that future inflation costs will be financed in part from earnings on investments held by the trustee. The remaining portion of anticipated future inflation costs (including inadequate earnings on investment, if any) and additional costs that might arise from changes in post-closure requirements (due to changes in technology or more rigorous environmental regulations, for example) may need to be covered by tax levy.

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NOTE 16 – DEFERRED COMPENSATION PLAN

La Crosse County, Wisconsin offers its employees a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan, available to all County employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held solely for the benefit of the employees or their beneficiaries. These funds are held, invested and disbursed in accordance with the plan document by a third party administrator and accordingly, are not recorded in these financial statements.

NOTE 17 – COMMITMENTS, CONTINGENCIES AND SUBSEQUENT EVENTS

Numerous claims are pending against the County. The outcome and eventual liability to the County, if any, in these cases is not known at this time. The Corporation Counsel and other County officials estimate that the potential claims against the County, not covered by insurance, resulting from such litigation are covered by existing liability reserves.

The County has received federal and state grants for specific purposes that are subject to various audit requirements. As a result of these audit requirements, various costs may be disallowed under terms of the grant. County management believes such disallowances, if any, to be immaterial.

NOTE 18 – RELATED PARTY TRANSACTIONS

La Crosse County has entered into a lease and administrative agreement with Mississippi Valley Health Services Commission (MVHS). Pursuant to this agreement La Crosse County provides to MVHS all management, administrative and personnel resources associated with the operation of a nursing home and facility for the elderly and developmentally disabled known as Lakeview Health Center. MVHS pays rent to La Crosse County for the facility in an amount equal to the depreciation expense related to the capital assets of the facility owned by the County. This payment is accounted for in the Lakeview Nursing Home Facility Fund, a major enterprise fund. In addition MVHS has agreed to pay additional amounts to cover costs related to utilities, insurance, repairs and, if applicable, taxes associated with the building and the property.

During the current year, rents and other consideration received by La Crosse County under this agreement from MVHS were as follows:

Rent of the facility and capital assets	\$ 795,425
Additional rent for utilities, insurance, repairs and other facility related items	189,357
Personnel and related benefits	5,930,154

La Crosse County pays MVHS a member assessment based on patient days of care. In addition, the County pays the difference between the sum of the assessments of all members and the actual costs of MVHS's operations, as determined in the MVHS Medicaid cost reports filed with the State of Wisconsin. During the year, the County paid MVHS \$1,562,040 in member assessments and has an outstanding payable to MVHS of \$132,480.

NOTE 19 – CHANGE IN ACCOUNTING PRINCIPLE

In June 2015, the GASB issued statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement establishes standards for measuring and recognizing, liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures related to OPEB plans. This standard was implemented January 1, 2018.

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NOTES TO BASIC FINANCIAL STATEMENTS

December 31, 2018

LA CROSSE COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND

Year Ended December 31, 2018

NOTE 20 – RESTATEMENT

The County adopted GASB Statement No. 75 - *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, as of January 1, 2018. This statement improves financial reporting for OPEB plans. With this adoption, the deferred outflows related to OPEB liability are recorded on the County's financial statements. Net position has been restated as follows:

	Governmental Activities
Net position, as reported	\$ 137,679,628
Prior period adjustment	(1,951,723)
Net position, as restated	<u>\$ 135,727,905</u>
	Internal Service Funds
Net position, as reported	\$ 86,652,893
Prior period adjustment	(1,951,723)
Net position, as restated	<u>\$ 84,701,170</u>

NOTE 21 – EFFECT OF NEW ACCOUNTING STANDARDS ON CURRENT – PERIOD FINANCIAL STATEMENTS

The Governmental Accounting Standards Board (GASB) has approved the following:

Statement No. 83, *Certain Asset Retirement Obligations*

Statement No. 84, *Fiduciary Activities*

Statement No. 87, *Leases*

Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*

Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*

Statement No. 90, *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*

When they become effective, application of these standards may restate portions of these financial statements.

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Taxes	\$ 21,012,903	\$ 21,012,903	\$ 22,132,715	\$ 1,119,812
Intergovernmental revenues	6,695,127	6,912,104	6,883,694	(28,410)
Licenses and permits	289,167	289,167	277,555	(11,612)
Fines, forfeits and penalties	247,000	247,000	215,984	(31,016)
Public charges for services	2,722,004	2,738,264	2,735,080	(3,184)
Intergovernmental charges for services	1,770,125	1,803,332	1,833,460	30,128
Miscellaneous revenues	745,327	943,203	1,167,120	223,917
Total revenues	<u>33,481,653</u>	<u>33,945,973</u>	<u>35,245,608</u>	<u>1,299,635</u>
EXPENDITURES				
General government	11,762,198	12,243,210	11,877,554	365,656
Public safety	15,777,167	16,053,273	15,712,895	340,378
Health and human services	2,683,606	2,741,154	2,187,103	554,051
Culture, recreation and education	1,393,268	1,499,674	1,228,356	271,318
Conservation and development	2,496,093	3,902,964	2,689,319	1,213,645
Miscellaneous	525,244	1,085,800	47,072	1,038,728
Debt service	-	50,890	50,727	163
Capital outlay	967,750	2,968,039	1,181,260	1,786,779
Total expenditures	<u>35,605,326</u>	<u>40,545,004</u>	<u>34,974,286</u>	<u>5,570,718</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,123,673)</u>	<u>(6,599,031)</u>	<u>271,322</u>	<u>6,870,353</u>
OTHER FINANCING SOURCES (USES)				
Long-term debt issued	2,700,000	2,765,000	2,765,000	-
Sale of capital assets	60,200	1,075,200	1,407,359	332,159
Transfers in	25,000	30,000	30,000	-
Transfers out	<u>(2,716,415)</u>	<u>(2,787,192)</u>	<u>(2,791,873)</u>	<u>(4,681)</u>
Total other financing sources (uses)	<u>68,785</u>	<u>1,083,008</u>	<u>1,410,486</u>	<u>327,478</u>
Net change in fund balance *	<u>\$ (2,054,888)</u>	<u>\$ (5,516,023)</u>	<u>1,681,808</u>	<u>\$ 7,197,831</u>
FUND BALANCES, BEGINNING			<u>30,947,018</u>	
FUND BALANCE, ENDING			<u>\$ 32,628,826</u>	

*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

See the notes to the required supplementary information.

**LA CROSSE COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
HUMAN SERVICES FUND**

Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Taxes	\$ 12,491,214	\$ 12,491,214	\$ 12,491,214	\$ -
Intergovernmental revenues	22,184,001	22,888,737	22,264,616	(624,121)
Public charges for services	13,991,442	13,796,442	11,780,374	(2,016,068)
Intergovernmental charges for services	2,235,302	2,200,602	2,269,228	68,626
Miscellaneous revenues	291,898	372,931	332,196	(40,735)
Total revenues	51,193,857	51,749,926	49,137,628	(2,612,298)
EXPENDITURES				
Public safety	1,828,242	1,828,242	1,751,164	77,078
Health and human services	49,527,477	50,126,206	43,550,083	6,576,123
Capital outlay	75,000	95,073	-	95,073
Total expenditures	51,430,719	52,049,521	45,301,247	6,748,274
Excess (deficiency) of revenues over (under) expenditures	(236,862)	(299,595)	3,836,381	4,135,976
OTHER FINANCING SOURCES (USES)				
Transfers in	-	26,667	26,667	-
Transfers out	-	(46,948)	(46,948)	-
Total other financing sources (uses)	-	(20,281)	(20,281)	-
Net change in fund balance *	\$ (236,862)	\$ (319,876)	3,816,100	\$ 4,135,976
FUND BALANCE, BEGINNING			2,830,629	
FUND BALANCE, ENDING			\$ 6,646,729	

*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

See the notes to the required supplementary information.

**LA CROSSE COUNTY, WISCONSIN
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET AND ACTUAL
BUSINESS FUND**

Year Ended December 31, 2018

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental revenues	\$ 1,163,025	\$ 1,163,025	\$ 2,024,728	\$ 861,703
Miscellaneous revenues	415,093	415,093	300,145	(114,948)
Total revenues	1,578,118	1,578,118	2,324,873	746,755
EXPENDITURES				
Conservation and development	1,432,133	1,432,133	2,107,237	(675,104)
Debt service	245,318	245,318	245,302	16
Total expenditures	1,677,451	1,677,451	2,352,539	(675,088)
Excess (deficiency) of revenues over (under) expenditures	(99,333)	(99,333)	(27,666)	71,667
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	23,506	23,506	168,000	144,494
Transfers in	16,415	16,415	16,415	-
Transfers out	(25,000)	(25,000)	(25,000)	-
Total other financing sources (uses)	14,921	14,921	159,415	144,494
Net change in fund balance *	\$ (84,412)	\$ (84,412)	131,749	\$ 216,161
FUND BALANCE, BEGINNING			842,415	
FUND BALANCE, ENDING			\$ 974,164	

*The net change in fund balances was included in the budget as an appropriation (i.e., spenddown) of fund balance.

See the notes to the required supplementary information.

LA CROSSE COUNTY, WISCONSIN
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS

	2018
Beginning Balance	\$ 3,954,571
Service Cost	327,164
Interest	140,492
Changes of benefit terms	-
Differences between expected and actual experience	-
Changes of assumptions or other input	-
Benefit payments	(208,219)
Net change in total OPEB liability	<u>259,437</u>
Ending Balance	<u>\$ 4,214,008</u>
Covered employee payroll	\$ 50,533,288
Total OPEB liability as a percentage of covered employee payroll	8.34%

LA CROSSE COUNTY, WISCONSIN
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (ASSET) (COUNTY/COMPONENT UNIT)
WISCONSIN RETIREMENT SYSTEM
Last 10 Fiscal Years*

	2015	2016	2017	2018
La Crosse County's proportion of the net pension liability (asset)	0.32118566%	0.32395964%	0.32709317%	0.33158404%
Proportionate share of the net pension liability (asset)	\$ (7,889,198)	\$ 5,264,281	\$ 2,696,029	\$ (9,845,123)
Covered payroll	\$ 43,309,654	\$ 44,149,162	\$ 46,396,510	\$ 46,244,846
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-18.22%	11.92%	5.81%	-21.29%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.2%	99.12%	102.93%
MVHS's proportion of the net pension liability (asset)	0.04256601%	0.03769270%	0.03218800%	0.02726314%
Proportionate share of the net pension liability (asset)	\$ (1,045,538)	\$ 612,499	\$ 265,306	\$ (809,475)
Covered payroll	\$ 5,739,733	\$ 5,851,251	\$ 4,479,535	\$ 5,302,641
Proportionate share of the net pension liability (asset) as a percentage of covered payroll	-18.22%	10.47%	5.92%	-15.27%
Plan fiduciary net position as a percentage of the total pension liability (asset)	102.74%	98.2%	99.12%	102.93%

*The amounts presented for each fiscal year were determined as of the previous calendar year-end.

See accompanying notes to required supplementary information.

See accompanying notes to required supplementary information.

LA CROSSE COUNTY, WISCONSIN
SCHEDULE OF EMPLOYER CONTRIBUTIONS (COUNTY/COMPONENT UNIT)
WISCONSIN RETIREMENT SYSTEM
Last 10 Fiscal Years*

LA CROSSE COUNTY, WISCONSIN
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

December 31, 2018

	2015	2016	2017	2018
La Crosse County				
Contractually required contributions	\$ 3,087,605	\$ 3,143,443	\$ 3,336,439	\$ 3,322,285
Contributions made in relation to the contractually required contributions	\$ 3,087,605	\$ 3,143,443	\$ 3,336,439	\$ 3,322,285
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 44,151,121	\$ 46,396,510	\$ 46,244,846	\$ 46,040,434
Contributions as a percentage of covered payroll	6.99%	6.78%	7.21%	7.22%
MVHS				
Contractually required contributions	\$ 359,243	\$ 309,334	\$ 274,325	\$ 261,981
Contributions made in relation to the contractually required contributions	\$ 359,243	\$ 309,334	\$ 274,325	\$ 261,981
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 5,851,251	\$ 4,479,535	\$ 5,302,641	\$ 5,573,098
Contributions as a percentage of covered payroll	6.14%	6.91%	5.17%	4.70%

*The amounts presented for each fiscal year were determined as of the previous calendar year-end.

See accompanying notes to required supplementary information.

NOTE 1 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Budgetary Information

The County follows these procedures in establishing the budgetary data reflected in the financial statements:

1. In July, the department heads submit budget requests to the Finance Department. The Finance Department totals these requests and compiles a County wide budget.
2. From August through November, various budget meetings take place to review the departmental and County budget.
3. A public hearing is then conducted to obtain taxpayer comments.
4. In November, the budget is legally enacted through passage of a resolution by the County Board of Supervisors. The legal level of budgetary control is the function level in the General Fund and total expenditures in all other funds.
5. Department heads are responsible for monitoring their budgets. In the event of a projected overage, the Department Head jointly with the County Administrator and Finance Director develop a funding strategy.
6. The Executive Committee is authorized to transfer budgeted amounts between and within departments; however, any transfers between funds or amounts that will be spent out of unassigned fund balances must be approved by the County Board of Supervisors.
7. The budgets for the governmental fund types are adopted on a basis consistent with generally accepted accounting principles.
8. In instances where budget appropriations and estimated revenues have been revised during the year, budget data presented in the financial statements and schedules represent the final authorized amounts.

NOTE 2 – EMPLOYEES' RETIREMENT SYSTEM

The County and component unit are required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

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

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

NOTE 3 – OTHER POST-EMPLOYMENT BENEFITS - OPEB

The County is required to present the last ten fiscal years of data; however, accounting standards allow the presentation of as many years as are available until ten fiscal years are presented.

Changes in benefit terms. There were no changes to the benefit terms.

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

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement 75.

La Crosse County, Wisconsin
\$2,515,000* General Obligation Promissory Notes, Series 2019-A

For the Notes 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 \$2,494,880) plus accrued interest, if any, to the date of delivery.

<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>	<u>Year</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>	<u>Dollar Price</u>
2021	_____%	_____%	_____%	2026	_____%	_____%	_____%
2022	_____%	_____%	_____%	2027	_____%	_____%	_____%
2023	_____%	_____%	_____%	2028	_____%	_____%	_____%
2024	_____%	_____%	_____%	2029	_____%	_____%	_____%
2025	_____%	_____%	_____%				

Designation of Term Maturities

Years of Term Maturities _____

In making this offer on the sale date of November 4, 2019 we accept all of the terms and conditions of the Official Terms of Offering published in the Preliminary Official Statement dated October 22, 2019, including the County’s right to modify the principal amount of the Notes. (See “Official Terms of Offering” herein.) In the event of failure to deliver these Notes 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 Notes.

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 _____.

If competitive sale rules are not met, the Bidder will apply (choose one): 10% Test Hold-the-offer price Rule

Account Members

Account Manager
By: _____
Phone: _____

.....
The foregoing bid has been accepted by the County.

Attest: _____

Date: _____

* Preliminary; subject to change.