

Popular Annual Financial Report

2018



La Crosse County, Wisconsin

For the Year Ended December 31, 2018

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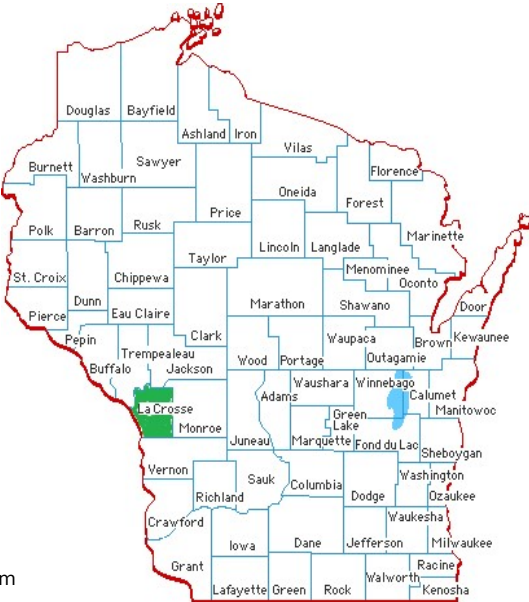
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Purpose of Report

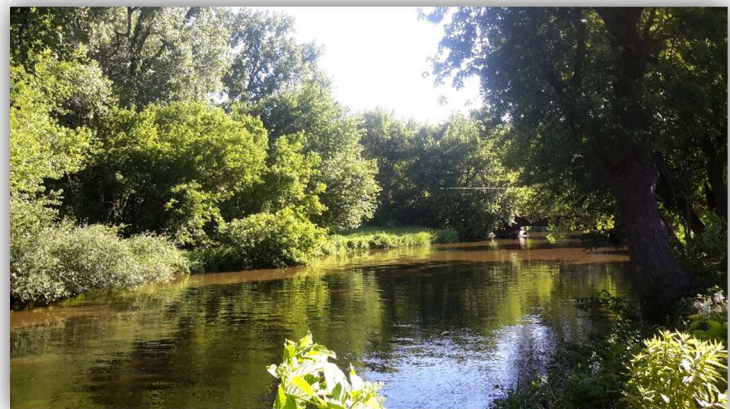
The Popular Annual Financial Report (PAFR) is an unaudited summary report of the financial activities of the County and is prepared primarily from detailed information contained in the County's 2018 Comprehensive Annual Financial Report (CAFR), with selected information from CAFRs prepared for earlier years. Certain amounts in the prior year comparatives noted in this report have been reclassified to conform to the current year's presentation.



The CAFR is prepared in accordance with generally accepted accounting principles (GAAP) and includes audited financial statements. As such, it provides much more detail as well as full disclosure of all material events, both financial and non-financial. The GAAP presentation also includes the County's component unit (a related organization) and information on individual funds.

The information in the CAFR by its nature can be technical and complex and as such, not as useful to citizens wishing to gain an overview of the County's finances. The PAFR has been prepared to simplify the information in the CAFR and better inform the public about the overall financial condition of the County, without the heavy use of technical accounting terms or excessive detail. The financial data presented in the PAFR does not include the component unit and fiduciary funds and is not intended to provide a complete financial picture of the County in accordance with GAAP.

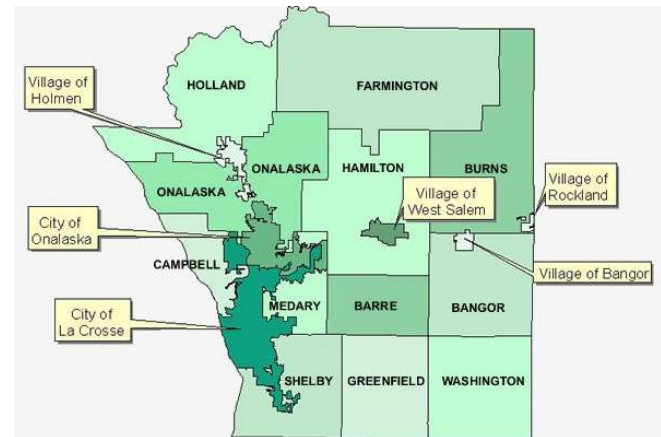
Questions or feedback concerning any of the information provided in this report or requests for additional financial information may be directed to the County Finance Department via telephone at 608-785-9580 or via email at sdavidson@lacrossecounty.org



The CAFR, the PAFR, and the budget are available on the County's website at: <http://www.co.la-crosse.wi.us/finance/Docs/Reports.htm>

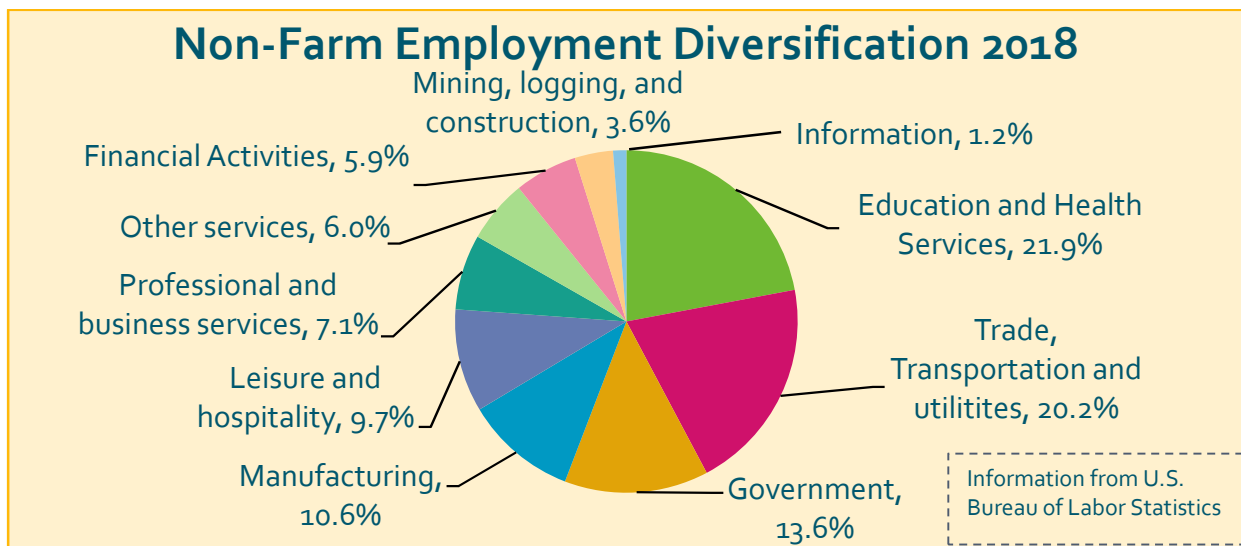
Community and Demographics

La Crosse County, organized in 1851, is located in southwest Wisconsin, along the Mississippi River to the west and beautiful bluffs and farmland to the east. The area provides excellent year-round recreational opportunities including river recreation, hunting, fishing, downhill skiing, and bike trails. La Crosse hosts the La Crosse Loggers, a semi-professional baseball team, the La Crosse Showtime, a semi-professional basketball team, and the Coulee Region Chill, a semi-professional hockey team. La Crosse County also hosts the state's only weekly racing NASCAR-sanctioned track at the La Crosse Fairgrounds Speedway.



The City of La Crosse is the county seat of La Crosse County, which includes two cities, four villages, and twelve townships. The County occupies a land area of 481 square miles and serves a population of 119,193 (2018 estimate). Since 2009, population within the County has risen 5.2%.

Due in large part to its excellent transportation connections, solid workforce, and well diversified economy, La Crosse County has continued its growth as an employment center for the Coulee Region – serving a regional population of over 400,000. The area also boasts significant natural resources and growing cultural amenities that contribute to the continued success of the tourism industry, as well as the attraction of employers to the area.



La Crosse County is a major employment center drawing people from surrounding areas and is well diversified. The top 5 employers in La Crosse County in 2018 were Gundersen Health System, Kwik Trip, Mayo Clinic Health System, The Trane Company, and Optum Health.

La Crosse County Per Capita Personal Income



Per Capita Personal Income in the County has risen 33.0% since 2009 to \$47,134.

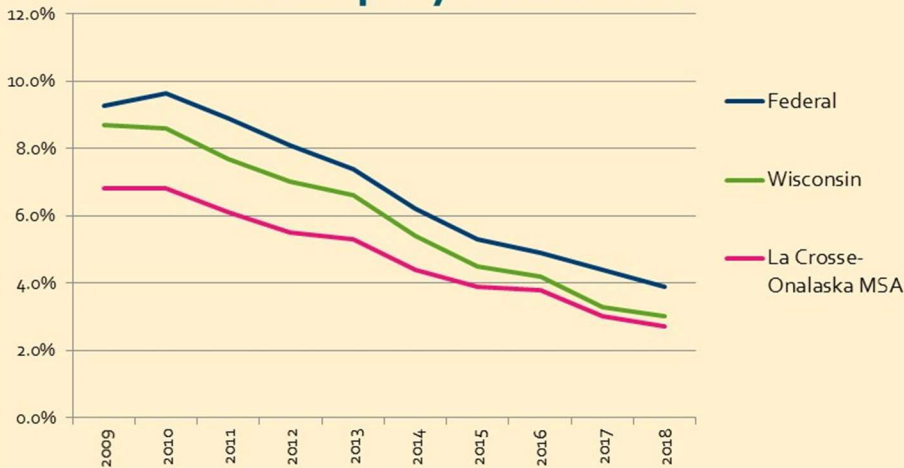
Note: The data for 2018 is not available at this time.

Over the past 10 years, the equalized value of taxable property in the County has increased 25.8%, resulting in a taxable equalized value of \$10,035,854,500.

La Crosse County Equalized Value



Unemployment Rate



The La Crosse-Onalaska, WI-MN Metropolitan Statistical Area (MSA) has maintained a lower unemployment rate than the State and Federal rates for the last 10 years.

La Crosse County has a well-educated population. The County's education rate of people 25 years and older is 33.0% who have a bachelors or higher degree; 94.2% have completed high school. In addition, La Crosse County is home to the University of Wisconsin-La Crosse, Viterbo University, and Western Technical College.

The median income within the County is \$54,127 and is slightly behind the Wisconsin median income of \$56,759. About 12.0% of individuals living in La Crosse County were below the poverty level. Total retail sales for the County were \$2.64 billion for last year, a 19.7% decrease from 2014, but an increase of 7% from 2017. The median household effective buying income for the County, however, has increased 5.2% since 2014 and is currently \$45,383.

Photo courtesy of News 8 and News8000.com

La Crosse County also continues to be recognized for its high quality of life by nationally recognized ratings organizations. In 2018, Forbes ranked the City of La Crosse as the 49th "Best Small Place for Business and Careers".



Also, in 2017, Livability.com rated the City of La Crosse number 85 out of 100 in the country as one of the "Top 100 Best Places to Live" for populations between 20,000 and 350,000.

In 2018, an investigatory team from the La Crosse County Sheriff's Department was awarded the Meritorious Service Award by the Wisconsin Association of Homicide Investigators (WAHI). This award was for their excellent work in solving a difficult homicide case that occurred in the County in 2016. The District Attorney, Tim Gruenke also received the Prosecutor of the Year Award from WAHI and the same award from the International Association of Homicide Investigators.



Also during 2018, Bryan Meyer, the La Crosse County Surveyor, was awarded the Wisconsin Land Information Association's (WLIA) "2018 Outstanding Contribution Award". This award is given each year to an individual or organization that has made substantial contributions to WLIA activities or to the Wisconsin Land Information Program.

These recognitions continue to show how La Crosse County is a leader in its work across all departments to make this County a great place to live.

County Government

La Crosse County is governed by 29 board supervisors, elected to 2-year terms. The County Board serves as the legislative and policymaking body of the County. The Board Chairperson, Tara Johnson, is responsible for providing directives of the Board to the appropriate officials and departments of the County. The County Administrator is Steve O'Malley, and is tasked with carrying out policies and ordinances of the Board, preparing the annual budget, appointing department heads and overseeing the day-to-day operations of the County.

County services include the maintenance of public records, a 5-branch circuit court system, public safety and law enforcement, highway maintenance and construction, public health, human services, elderly programs, solid waste management, household hazardous waste center, zoning and conservation, library services, county parks, veteran's affairs and an extension service. The County owns and operates two separate skilled nursing homes as well as an assisted living center, a senior housing apartment complex, an adult family home, and 3 community based residential facilities. The County is self-insured for health, liability and worker's compensation.

The County's fiscal year is from January 1st to December 31st. In November of each year, the Board passes the budget for the next year. The annual budget serves as the foundation for financial planning and control.



District 1 - Andrea Richmond
District 2 - Ralph Geary
District 3 - Doug Weidenbach
District 4 - Maureen Freedland
District 5 - Isaac Tahiri
District 6 - Roger Plesha
District 7 - Sharon Hampson
District 8 - Peggy Isola
District 9 - Jerome Gundersen Jr.
District 10 - Kim Cable

District 11 - Patrick Scheller
District 12 - Dave Holtze
District 13 - Tina Tryggstad
District 14 - Margaret Larson
District 15 - Monica Kruse
District 16 - Dan Ferries
District 17 - Mike Giese
District 18 - Laurence Berg
District 19 - Rick Cornforth
District 20 - Steve Doyle

District 21 - Vicki Burke
District 22 - Patrick Barlow
District 23 - Matt Nikolay
District 24 - Kevin Hoyer
District 25 - Ray Ebert
District 26 - Dan Hesse
District 27 - Thomas Jacobs
District 28 - Karen Keil
District 29 - Tara Johnson

Awards & Recognition

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of La Crosse for its Popular Annual Financial Report for the fiscal year ended December 31, 2017. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

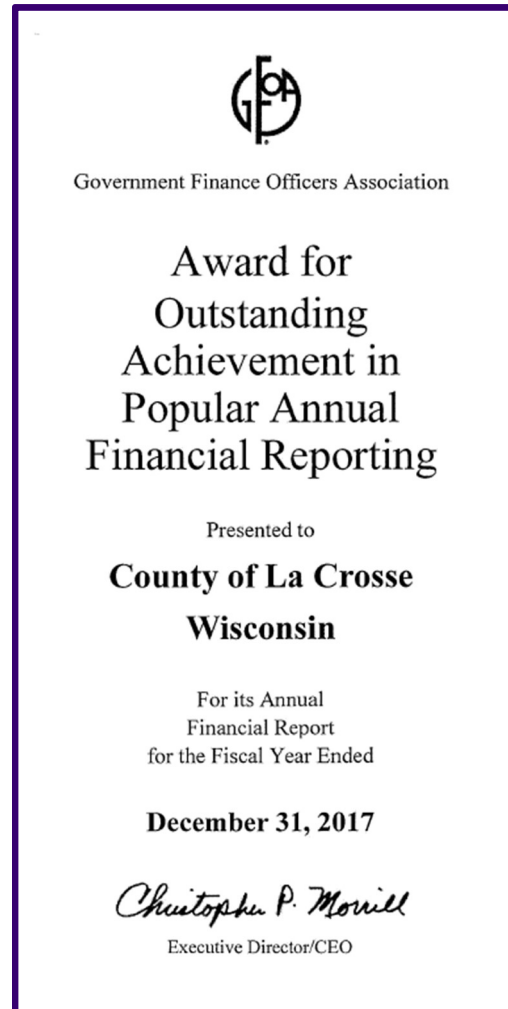
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The County of La Crosse has received a Popular Award for the last four consecutive years. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to the GFOA to determine its eligibility for another Award.

The County of La Crosse CAFR for the year ended 2017, from which information throughout this report has been drawn, was awarded the Certificate of Achievement for Excellence in Financial Reporting by GFOA. This was the 13th consecutive year that the County has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition for excellence in state and local government financial reporting.

In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR, whose contents conform to the program standards. Such a CAFR must satisfy both GAAP and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another Certificate.



Financial Highlights

The information provided is summarized and represents only selected funds and therefore is not in accordance with generally accepted accounting principles (GAAP) and is not intended to represent all of the County’s funds, component unit, and fiduciary funds. The following table is a summary of select financial data for the past three years.

Financial Summary			
	2018	2017	2016
Net Position			
Assets and Deferred Outflows	\$ 351,192,695	\$ 335,717,928	\$ 361,692,228
Liabilities and Deferred Inflows	178,729,543	172,910,573	197,193,458
Total Net Position	172,463,152	162,807,355	164,498,770
Revenues			
Governmental Activities	\$ 109,722,923	\$ 103,795,173	\$ 105,962,156
Business-type Activities	34,044,669	34,321,069	32,681,563
Total Revenues	143,767,592	138,116,242	138,643,719
Expenses			
Governmental Activities	\$ 101,231,982	\$ 106,229,736	\$ 103,739,051
Business-type Activities	30,928,090	33,577,921	33,982,970
Total Expenses	132,160,072	139,807,657	137,722,021
Capital Assets			
Governmental Activities	\$ 140,914,926	\$ 141,559,523	\$ 139,748,399
Business-type Activities	38,931,379	38,549,932	36,731,570
Total Capital Assets	179,846,305	180,109,455	176,479,969
Long-Term Obligations			
Governmental Activities	\$ 69,461,052	\$ 71,146,396	\$ 88,206,178
Business-type Activities	38,464,927	41,515,900	44,216,471
Total Long-Term Obligations	107,925,979	112,662,296	132,422,649

Governmental Activities include: general government; public safety; public works; health and human services; culture, recreation and education; and conservation and development.

Business-type Activities include: Hillview Health Care Center, Solid Waste, Lakeview Nursing Home Facility, apartments and assisted living facilities, and household hazardous waste disposal services.

Net Position

The Balance Sheet, known as the Statement of Net Position in governmental financial statements, presents information concerning the County's assets, liabilities, and deferred inflows/outflows of resources. Increases and decreases in net position serve as an indicator of the County's financial position and the results of the County's operations.

Statement of Net Position							
	Governmental Activities		Business-Type Activities		Total		
	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	
Capital Assets	140,914,926	141,559,523	38,931,379	38,549,932	179,846,305	180,109,455	
Total Assets	\$ 262,985,331	\$ 247,717,918	\$ 67,650,207	\$ 64,423,471	\$ 330,635,538	\$ 312,141,389	
Deferred Outflows of Resources	14,059,913	15,779,857	6,497,244	7,796,682	20,557,157	23,576,539	
Current and other liabilities	\$ 13,036,935	\$ 14,031,970	\$ 3,181,500	\$ 3,592,833	\$ 16,218,435	\$ 17,624,803	
Long-Term Liabilities	69,461,052	71,146,396	38,464,927	41,515,900	107,925,979	112,662,296	
Total Liabilities	\$ 82,497,987	\$ 85,178,366	\$ 41,646,427	\$ 45,108,733	\$ 124,144,414	\$ 130,287,099	
Deferred Inflows of Resources	50,359,359	40,639,781	4,225,770	1,983,693	54,585,129	42,623,474	
Net Position:	\$ 144,187,898	\$ 137,679,628	\$ 28,275,254	\$ 25,127,727	\$ 172,463,152	\$ 162,807,355	
Net Investment in Capital Assets	\$ 86,110,257	\$ 84,270,778	\$ 13,492,863	\$ 11,935,162	\$ 99,603,120	\$ 96,205,940	
Restricted	18,883,813	8,763,343	2,771,263	1,359,646	21,655,076	10,122,989	
Unrestricted	39,193,828	44,645,507	12,011,128	11,832,919	51,204,956	56,478,426	
Total Net Position	\$ 144,187,898	\$ 137,679,628	\$ 28,275,254	\$ 25,127,727	\$ 172,463,152	\$ 162,807,355	

The largest portion of the County's net position (57.8%) reflects the 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. Therefore, even though the County's investment in capital assets is reported net of related debt, the resources needed to repay debt cannot come from the capital assets themselves and must be provided from other sources.

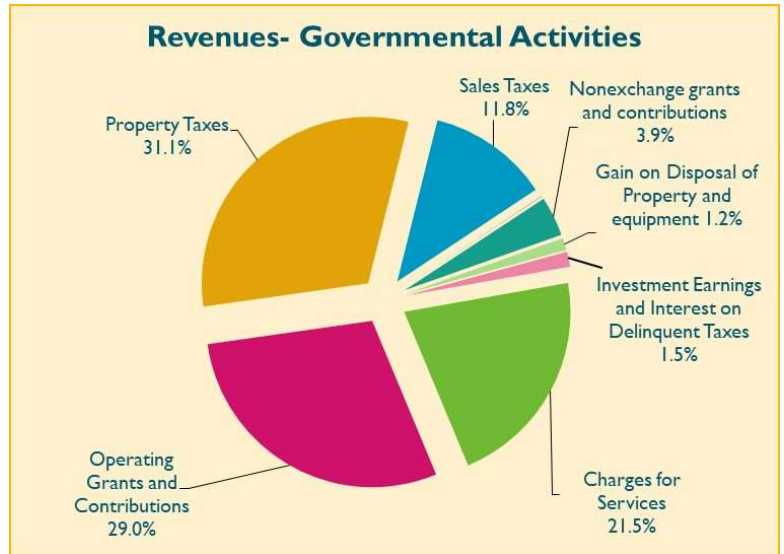
An additional portion of the County's net position of \$21.7 million, or 12.5%, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position of \$51.2 million, or 29.7%, may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position increased \$9,655,797 during the current year. This results from an increase in governmental-type activities largely due to additional State and Federal funds received by the Human Services department in conjunction with cost saving measures implemented in that department. Additionally, the County sold a parcel of land to the City of La Crosse resulting in a \$1 million gain on sale and did not have the recurrence of the contribution to the City for the downtown parking ramp. An increase in business-type activities was mainly due to an increase in net position for Solid Waste, which had updated long-term care costs and depreciation expense calculations based on a new survey and increased cell volume from completed cell construction. Hillview Health Care Center also received a one-time payment from the State for Certified Public Expenditure (CPE).

Revenues

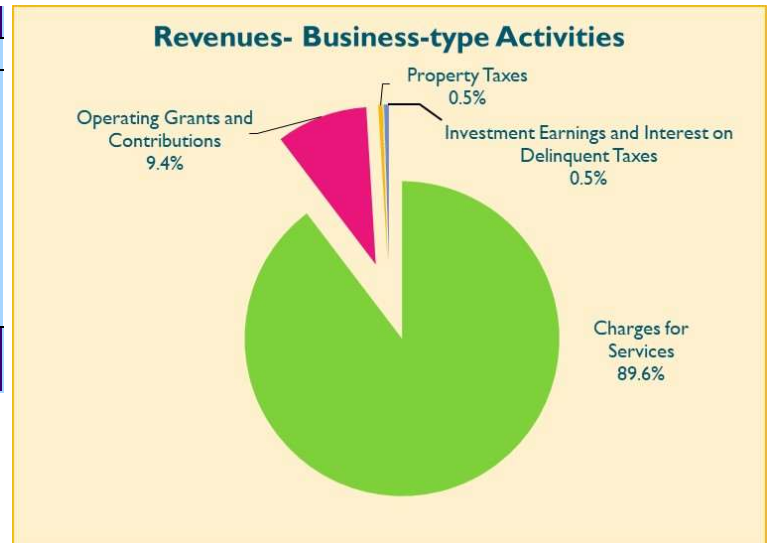
WHERE DOES THE MONEY COME FROM?

Total Revenues - Governmental Activities		
	2018	2017
Program Revenues		
Charges for Services	\$ 23,589,871	\$ 23,031,726
Operating Grants and Contributions	31,861,104	26,635,080
Capital Grants and Contributions	-	2,288,401
General Revenues		
Property Taxes	34,171,629	33,500,501
Sales Taxes	12,927,849	12,447,360
Other Taxes	53,290	23,137
Nonexchange grants and contributions	4,236,691	4,227,260
Gain on disposal of property & equip.	1,274,213	292,726
Investment Earnings and Interest on Delinquent Taxes	1,608,276	1,348,982
Total Revenues- Governmental Activities	\$ 109,722,923	\$ 103,795,173



Governmental activities operating grants and contributions increased because of the additional State and Federal funds received in relation to the Wisconsin Income Maintenance Cost Report (WIMCR) State audits and the Western Region Economic Assistance (WREA) consortium operations. Capital grants and contributions decreased over the previous year, as public works did not have any road and bridge projects in 2018 that were eligible for State funding. Gain on disposal of property & equipment increased due to the sale of land to the City, which resulted in a \$1 million gain.

Total Revenues - Business-type Activities		
	2018	2017
Program Revenues		
Charges for Services	\$ 30,520,617	\$ 32,309,247
Operating Grants and Contributions	3,195,885	1,787,887
General Revenues		
Property Taxes	154,050	146,363
Gain on disposal of property & equip.	8,925	2,347
Investment Earnings and Interest on Delinquent Taxes	165,192	75,225
Total Revenues- Business-type Activities	\$ 34,044,669	\$ 34,321,069



Business-type activities charges for services decreased due to a reduced census at Hillview Health Care Center in 2018 compared to 2017. Operating grants and contributions increased due to the one-time \$1.3 million CPE payment received by Hillview in 2018.

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, (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

General Revenues include all taxes, investment earnings, gain on sales of equipment, and grants not restricted to a particular function or segment.

Expenses

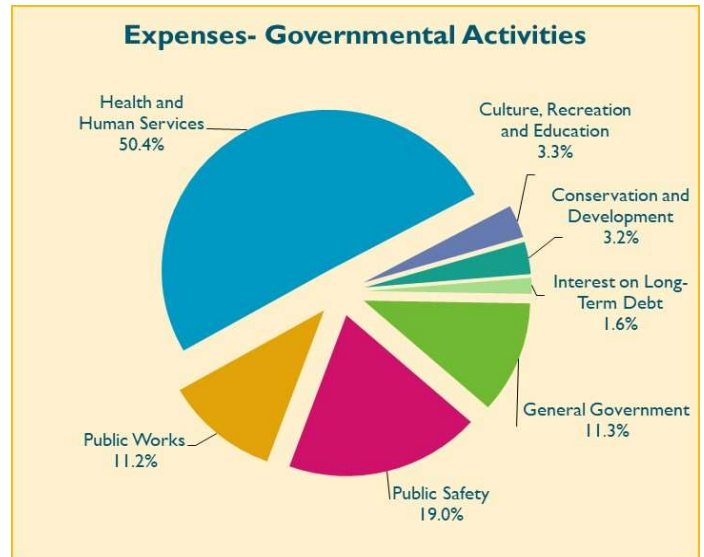
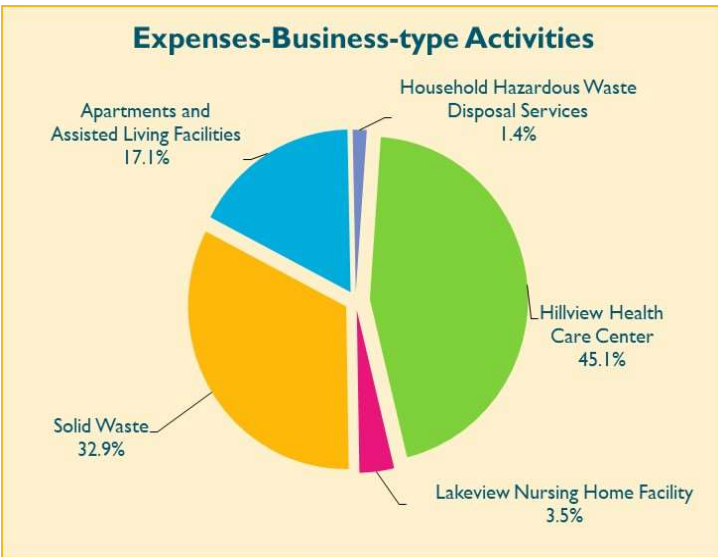
WHERE DOES THE MONEY GO?

Total Expenses - Business-type Activities		
	2018	2017
Hillview Health Care Center	\$ 13,947,038	\$ 16,081,900
Lakeview Nursing Home Facility	1,093,519	1,486,751
Solid Waste	10,169,621	9,813,787
Apartments and Assisted Living Facilities	5,274,818	5,710,099
Household Hazardous Waste Disposal Services	443,094	485,384
Total Expenses - Business-type Activities	\$ 30,928,090	\$ 33,577,921

Total Expenses - Governmental Activities		
	2018	2017
General Government	\$ 11,324,080	\$ 10,503,901
Public Safety	19,266,507	18,921,591
Public Works	11,318,173	12,354,525
Health and Human Services	51,053,092	53,978,318
Culture, Recreation and Education	3,357,778	3,456,445
Conservation and Development	3,289,331	4,952,696
Interest on Long-Term Debt	1,623,021	2,062,260
Total Expenses - Governmental Activities	\$ 101,231,982	\$ 106,229,736

Business-type activities expenses decreased largely as a result of Hillview Health Care Center implementing some restructuring and a lower patient census overall resulting in lower operating costs.

Governmental activities expenses decreased in part due to the non-recurrence of the contribution to the City of La Crosse which was made in 2017 for the downtown parking ramp. Additionally, Health and Human Services departments overall had planned budget savings as a result of implemented cost saving measures. The Highway department's contribution to other governments was also less in 2018.



General Government-Clerk of Courts, Corporation Counsel, County Board, County Clerk, Elections, Family Court Commissioner, Mediation, Document and Graphic Services, Register of Deeds, County Administrator, Information Technology, Finance, Personnel, Treasurer, District Attorney, and Medical Examiner and other expenses not attributable to other departments
Public Safety-Emergency Services, Central Dispatch, Jail, Law Enforcement
Public Works- Highway maintenance and construction
Health and Human Services- Departments of Health, Human Services, Aging/ADRC, Child Support, Veterans, and payments to MVHS
Conservation and Development-Land Conservation, Economic Development, Metropolitan Planning Organization, and Zoning
Culture, Recreation, and Education-Extension, Library, Parks, Historical Society, Historical Sites
Hillview Health Care Center- Skilled nursing facility for aged and disabled residents
Solid Waste-Operations of the solid waste disposal system
Lakeview Nursing Home Facility- Capital assets of the Lakeview Nursing Home Facility
Apartments and Assisted Living Facilities-Carroll Heights Apartments; Hillview Terrace; Neshonoc, Regent, and Monarch Manors; Maplewood CBRF, and Ravenwood Nursing Home
Household Hazardous Waste Disposal-Operations of the disposal of hazardous chemicals

Capital Assets

WHAT DO WE OWN?

The County needs more than just dollars to provide its citizens with services, and as such, many types of assets are required to keep the County performing and delivering its various services. Capital assets include land, buildings, improvements, highway trucks, sheriff vehicles, machinery and equipment, bridges, culverts, and curbs.

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



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.



Long-Term Obligations

WHAT DO WE OWE?

As of December 31, 2018, the County's long-term obligations totaled \$107,925,979, of which \$87,356,470 was debt outstanding. During the year, the County issued \$2,765,000 of general obligation promissory notes for highway road construction.

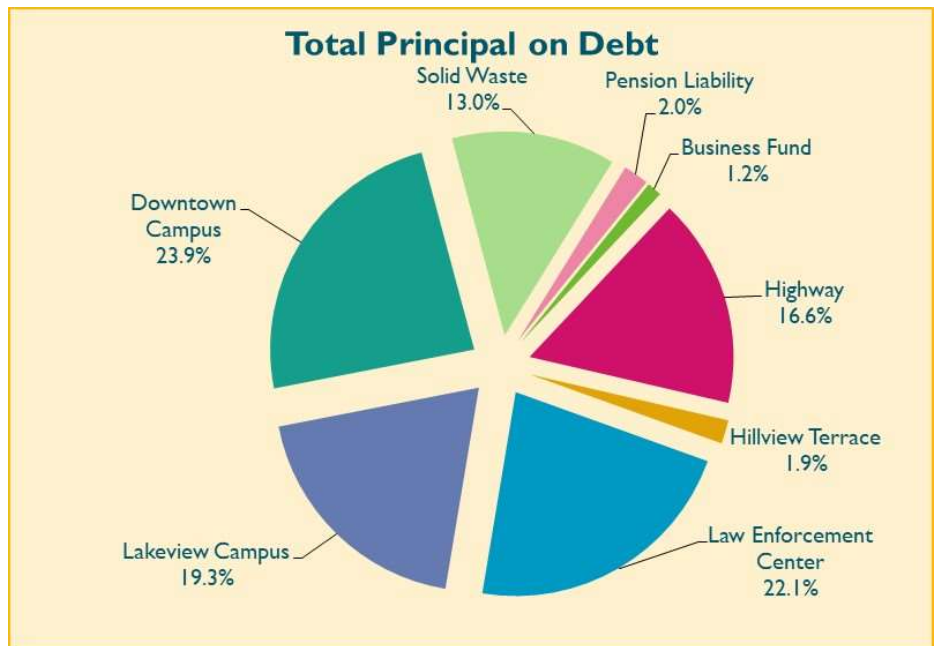
Long-Term Obligations			
	Governmental Activities	Business-Type Activities	Total
Due within 1 year:			
Compensated Absences	\$ 2,322,798	\$ 563,101	\$ 2,885,899
Bonds and Notes Payable	5,260,675	2,002,979	7,263,654
Landfill Post Closure Costs	24,270	13,031	37,301
	<u>7,607,743</u>	<u>2,579,111</u>	<u>10,186,854</u>
Due longer than 1 year:			
Compensated Absences	4,874,044	-	4,874,044
Post Employment Benefit Obligation	4,214,008	-	4,214,008
Bonds and Notes Payable	52,300,685	27,792,131	80,092,816
Landfill Post Closure Costs	464,572	8,093,685	8,558,257
	<u>61,853,309</u>	<u>35,885,816</u>	<u>97,739,125</u>
Total Long-Term Obligations	69,461,052	38,464,927	107,925,979

HOW'S OUR CREDIT?

External credit ratings are very important and have a direct influence on the County's ability to (1) minimize borrowing cost and (2) successfully borrow money to complete the acquisition and construction of long-lived capital assets.

The County maintains an "Aa1" rating from Moody's Investors Services for general obligation debt. An "Aa1" is graded as high quality and a very low credit risk to investors. This means the County has a proven track record, the financial strength, and the ability to repay short-term debt.

The County's debt per capita is \$639.



Investments

HOW SAFE IS OUR MONEY?

The County investment practices and policies are based upon state law and prudent money management. The County’s first priority is to maintain the safety of the principal of the investments, which mitigates credit risk.

The County structures the investment portfolio, with the assistance of our investment advisor, to be sure that securities mature concurrently with cash needs and anticipated demands. This mitigates liquidity risk.

Types of Risk:

Credit Risk – the risk that the County will not recover its investments due to the inability of the counterparty to fulfill its obligation.

Liquidity Risk – the risk that the County will not be able to sell an investment security quickly enough to meet cash flow needs or demands.

Custodial Credit Risk – the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its deposits, investments, or collateral securities that are in the possession of an outside party (i.e. the County’s safekeeping institution).

Cash and Investments	
Deposits	\$ 7,604,040
Petty Cash	6,228
Cash on Hand	23,248
Investments	66,920,993
Total	\$ 74,554,509
Investments	
Investment Types:	Fair Value
U.S. Treasury Notes	\$ 3,426,050
U.S. Agency Securities	22,688,441
U.S. Small Business Administration	4,538,844
Corporate Issues	1,534,792
State of WI Local Government	
Investment Pool	22,900,106
Mutual Funds - other than bond funds	11,832,760
Total Investments	\$ 66,920,993

A variety of investments are used to minimize the exposure to the risk of loss. The County policy also requires all funds on deposits with any financial institution be secured with collateral securities. This mitigates the exposure to the risk of loss and custodial credit risk.

The County policy requires only the highest and second highest rated securities may be purchased which means there is a very to exceptionally strong capacity to meet financial commitments. In addition, the U.S. Treasury securities and notes are backed by the full faith and credit of the U.S. government and are considered the safest investments in the world.

Finally, the investment portfolio is designed to attain the highest market rate of return, taking into account economic cycles and the investment risk constraints and liquidity needs of the County. The return on investment is of secondary importance compared to the safety and liquidity objectives.

General Fund

The General Fund accounts for the County's main operating activities and is used to account for all financial resources except those which are required to be accounted for in another fund. Citizens, other governments, and rating agencies typically look at a municipality's general fund to determine the health and current trends within it.

Unassigned Fund Balance Compared to Expenditures				
	2018		2017	
	General Fund	Percentage of Expenditures	General Fund	Percentage of Expenditures
Total Expenditures	\$ 34,974,286	-	\$ 35,419,275	-
Unassigned Fund Balance	20,710,833	59.2%	19,909,765	56.2%
Total Fund Balances	32,628,826	93.3%	30,947,018	87.4%

As a measure of the General Fund's ability to pay off short-term obligations, it is useful to compare unassigned fund balance and total fund balance to total fund expenditures.

County policy requires the ratio of unassigned general fund balance to total operating expenditures be maintained at 25 to 50%. As of December 31, 2018 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.

The General Fund closed out the year with a gain of \$1,681,808. The original budget projected a deficit of \$2,054,888 and the final budget anticipated a loss of \$5,516,023. The actual result was far less due to the realization of \$5,570,718 in total expenditures under final budget and \$1,299,635 in total revenues over final budget.

During 2018, sales tax revenues increased by over \$480,000 and was over \$977,000 higher than was budgeted. Register of Deeds fees continue to be strong as interest rates for mortgages have remained relatively low. Investment earnings were also higher than expected due to slightly higher interest rates and changes in investment mix.

Most projects that were not completed in 2018 carried forward funds for completion in 2019. This includes a contribution of \$150,000 to the Village of Holmen for the community center project, and funds for neighborhood revitalization projects in the amount of just over \$700,000. Also, various capital outlay projects within the General Fund for parks, major capital and building improvements totaling \$933,000 were carried forward to 2019.

Ratios and Trends

HOW ARE WE DOING?

Looking at key financial ratios and trends over several years enables the County to have a clearer picture of where it has been and where it is going.

Primary Government										
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt to Assets Ratio	46.2%	48.8%	45.4%	33.5%	34.6%	34.8%	40.0%	46.4%	41.7%	37.5%
Debt to Net Position Ratio	86.0%	95.4%	83.2%	58.3%	62.0%	63.2%	74.8%	92.7%	80.0%	72.0%
Total Margin Ratio	99.6%	100.9%	108.1%	101.8%	95.8%	100.2%	100.8%	100.7%	98.8%	108.8%

Debt to Assets Ratio focuses on the extent to which total assets are financed with long-term debt and is a measure of the government’s leverage. A lower ratio is desired as a high ratio implies an over reliance on debt for financing assets.

Debt to Net Position Ratio focuses on the ability to meet long-term obligations and is a measure of the government’s solvency. A high ratio is desired.

Total Margin Ratio focuses on whether the government lived within its financial means during the fiscal year. A ratio of 100% or higher is desired.



Wisconsin statutes limit the total indebtedness of the County to 5% of equalized value. As noted in the chart to the left, the County has been well under this limit.

Overall Summary: The ratios for the past 10 years show the County has strived to keep debt manageable, taking advantage of historically low interest rates while still providing quality services and replacing aging facilities and infrastructure for citizens.

Major Initiatives

WHAT ARE WE DOING?

Neighborhood Revitalization

The County continued its work in neighborhood revitalization, with continued funding to the Acquisition and Demolition Grant Program. This program was started to help prepare sites for housing development projects within the Powell-Poage-Hamilton and Washburn Neighborhoods of the City of La Crosse. In 2018, the County made the decision to expand this program to also include the Lower Northside and Depot Neighborhood as well. As part of this work, the County Solid Waste Department again budgeted \$50,000 to waive tipping fees for demolition debris from projects that have been awarded Acquisition and Demolition Grants. This will provide additional incentive to replace deteriorated housing within these neighborhoods. In 2018, about \$136,965 in grants were awarded to 5 projects that will leverage \$734,000 in private investment, and result in at least \$915,000 in new tax base development. In total, between 2016, 2017, and 2018 this program has awarded up to \$658,765 in grants to generate at least \$6.42 million in new tax base and 73 new housing units. This program will continue in 2019 and beyond, and may continue to consider making additional neighborhoods eligible for funding.



Homelessness Prevention Initiative

The County Board allocated \$500,000 in the 2018 budget as part of an effort to support the work of the La Crosse Collaborative to End Homelessness. The funds for this program will be used to prevent homelessness, with the efforts led by La Crosse County's Human Services Department, Catholic Charities and the Salvation Army. During 2018, the County Board authorized \$50,000 to be spent on the program, and in early 2019 authorized an additional \$175,000. The program is intended to assist individuals or families before they become homeless, thereby resulting in cost savings in other Human Services programs.

Wisconsin Child Welfare Crisis

The La Crosse County Human Services director, Jason Witt, has been leading an effort with other Wisconsin counties and the Wisconsin Counties Association (WCA) to support an increase in state funds for Child Protective Services (CPS). With the nationwide opioid crisis contributing to rising costs in the child welfare system, the WCA is asking the legislature to increase CPS funding by \$30,000,000 in the next biennial budget for the State of Wisconsin. In 2018, Jason received the Distinguished Service Award from the Wisconsin County Human Services Association (WCHSA) for his work in educating the State of Wisconsin on child welfare issues.



LA CROSSE COUNTY
Exceptional services. Extraordinary place.

Long-Term Financial Planning

HOW ARE WE PLANNING FOR THE FUTURE?

The County Administrator and Finance team meet regularly to discuss long-range planning and project needs. Multi-year steps are taken to moderate the effect on tax levy and use the County's fiscal strength to minimize interest, debt issue costs, and total debt incurred by the County.

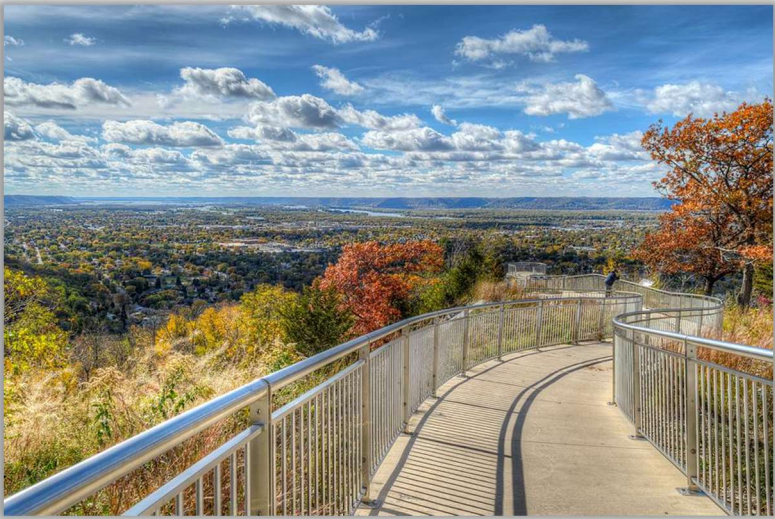
While County Administration and Finance staff expect the County's financial operations to remain healthy due to conservative budgeting and maintaining strong reserve levels, we recognize that our two greatest challenges are: 1) Exposure to enterprise risk through County-owned nursing homes; and 2) Elevated overall debt burden.

In recognition of these challenges, County staff have developed debt planning priorities that protect against future risk of enterprise debt requiring tax levy support, while moderating the impact of additional debt payments on the local tax levy by phasing in the additional payments over several years and planning to reduce the use of debt over the next five years.

For the annual highway projects, the County will continue to borrow for unmet road needs, with the 2018 borrowing approved at \$2.45 million.

Finally, over the next five years the County will minimize the use of additional debt for any smaller capital projects through use of excess sales tax, utilizing anticipated environmental impact fees from approved power-line construction, small amounts of reserves, or spreading implementation over several years without incurring debt.

The goal of these financing and funding strategies is to release bond issues when project drawdowns are needed, keep interest rates as low as possible, minimize debt issuance costs, smooth the debt service payments for the future, and maximize any investment earnings within compliance with federal arbitrage rules.



The following chart summarizes the ratio of G.O. debt to equalized value and debt per capita for the last 10 years as well as what is planned for the next 6 years.

Ratios of General Bonded Debt to Equalized Valuation and Debt Per Capita					
Year	Net General Bonded Debt	Equalized Value	Percent of Debt		Debt Per Capita
			to Equalized Valuation	Population	
Last Ten Fiscal Years					
2009	\$ 62,574,616	\$ 7,978,271,000	0.78%	113,318	\$ 552.20
2010	69,097,567	7,935,455,900	0.87%	114,638	602.75
2011	66,150,158	7,879,057,100	0.84%	114,919	575.62
2012	61,503,429	7,977,429,700	0.77%	115,577	532.14
2013	61,138,588	8,063,740,700	0.76%	115,928	527.38
2014	59,776,846	8,428,637,800	0.71%	116,740	512.05
2015	60,983,513	8,717,923,400	0.70%	117,054	520.99
2016	62,483,726	9,044,241,400	0.69%	118,038	529.35
2017	78,343,422	9,635,009,700	0.81%	118,675	660.15
2018	76,231,758	10,035,854,500	0.76%	119,193	639.57
Projected Next 6 years					
2019	72,772,542	10,286,750,863 *	0.71%	119,789 *	607.51
2020	71,425,651	10,543,919,634 *	0.68%	120,388 *	593.30
2021	69,710,760	10,807,517,625 *	0.65%	120,990 *	576.17
2022	67,446,246	11,077,705,566 *	0.61%	121,595 *	554.68
2023	64,893,369	11,354,648,205 *	0.57%	122,203 *	531.03
2024	62,195,492	11,638,514,410 *	0.53%	122,814 *	506.42

* Assumes EQ value growth at 2.5% & population at 0.5% growth



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