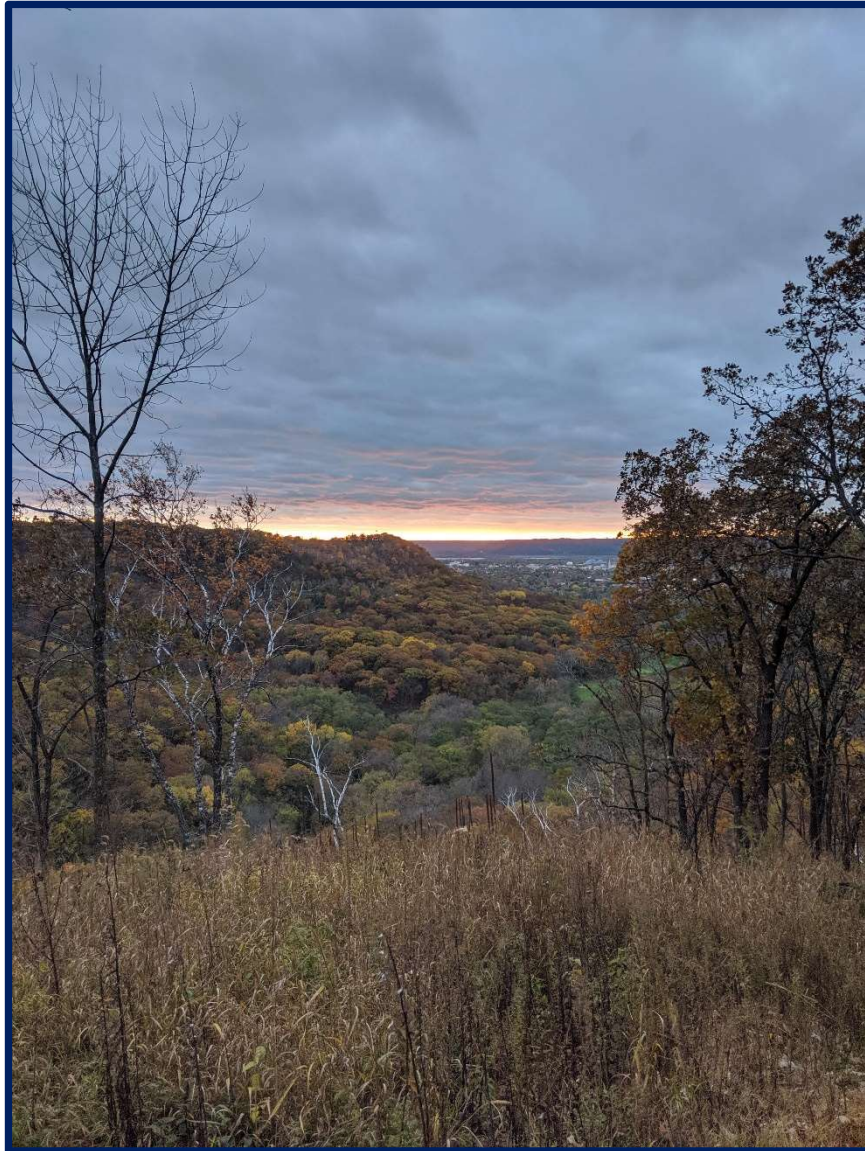


Popular Annual Financial Report

2019



La Crosse County, Wisconsin

For the Year Ended December 31, 2019

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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 2019 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

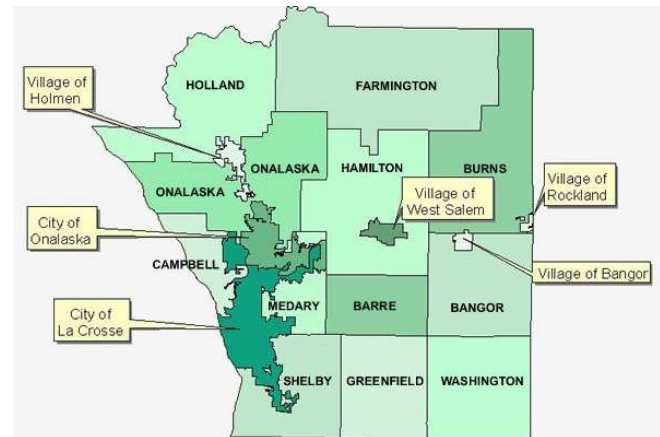
The CAFR, the PAFR, and the budget are available on the County's website at: <http://www.co.la-crosse.wi.us/finance/Docs/Reports.htm>



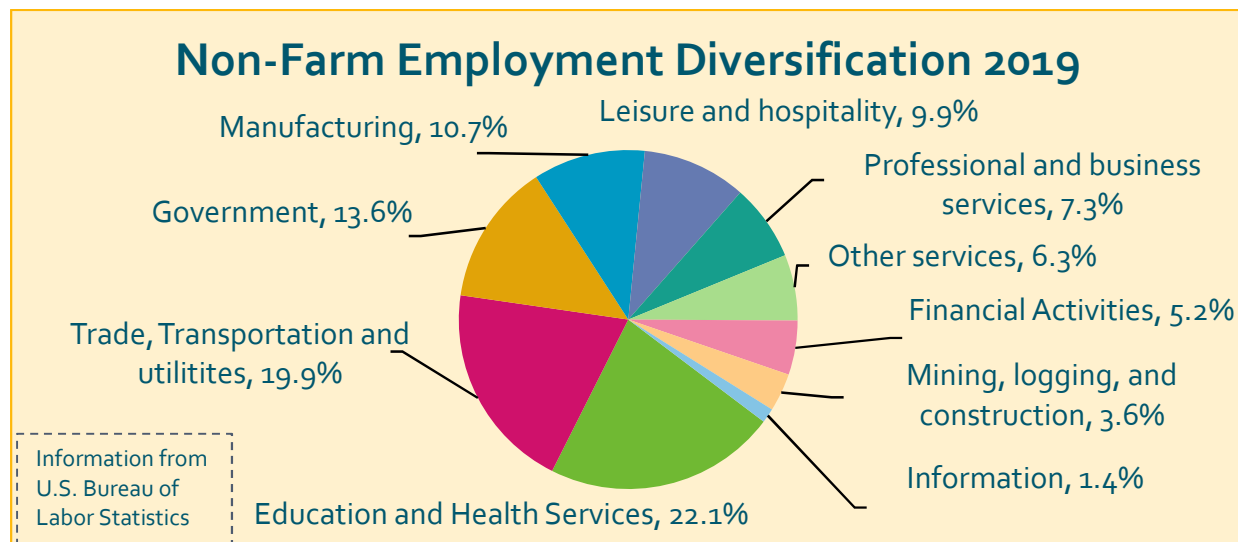
Community and Demographics

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 119,484 (2019 estimate). Since 2009, population within the County has risen 4.2%.

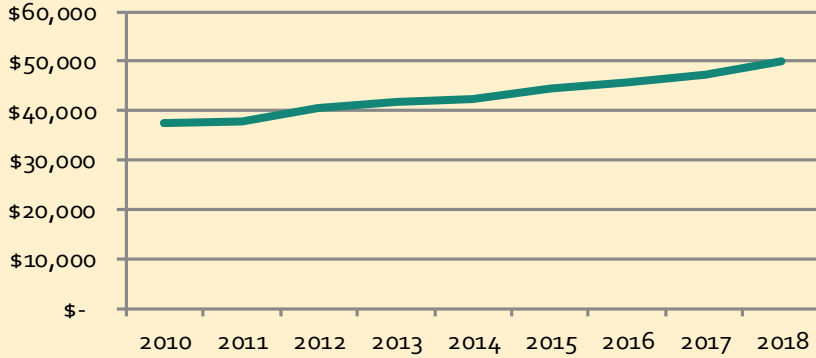


Due in large part to its excellent transportation connections, solid workforce, and well diversified economy, La Crosse County has continued its growth as an employment center for the Coulee Region – serving a regional population of over 400,000. The area also boasts significant natural resources and 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 2019 were Gundersen Health System, Kwik Trip, Mayo Clinic Health System, Optum Health, and The Trane Company.

La Crosse County Per Capita Personal Income

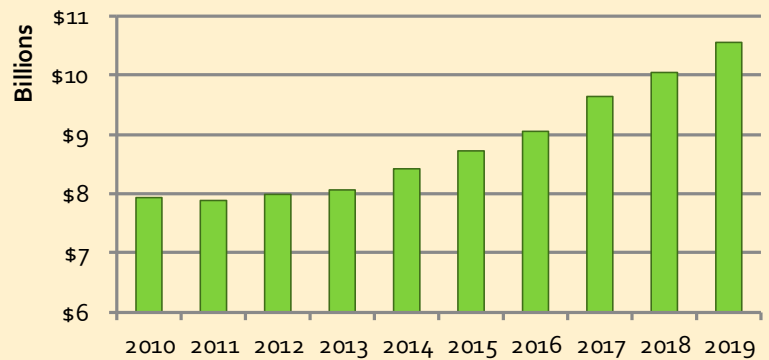


Per Capita Personal Income in the County has risen 33.6% since 2010 to \$50,107.

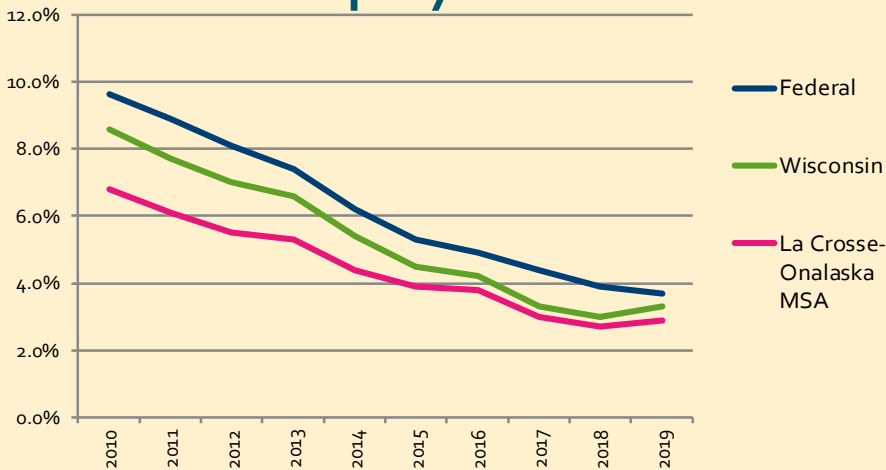
Note: The data for 2019 is not available at this time.

Over the past 10 years, the equalized value of taxable property in the County has increased 33.0%, resulting in a taxable equalized value of \$10,552,445,000.

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 34.3% who have a bachelors or higher degree; 94.6% 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 \$55,479 and is slightly behind the Wisconsin median income of \$59,209. About 10.9% of individuals living in La Crosse County were below the poverty level. Total retail sales for the County were \$2.71 billion for last year, a 17.3% decrease from 2015, but an increase of 9.7% from 2017. The median household effective buying income for the County, however, has increased 14.1% since 2015 and is currently \$48,509.

La Crosse County and its municipalities continue to be recognized for a high quality of life by nationally recognized organizations. The American Institute for Economic Research ranked the City of La Crosse as the 19th best college town in the nation for populations below 250,000 and the University of Wisconsin -La Crosse was the only school in Wisconsin to make the list.



West Salem, a village in La Crosse County, was listed as #10 on the list of "The 10 Best Places to Live In Wisconsin For 2020" by HomeSnacks.net. Low crime rate, education, and commute times were listed as some of the criteria to score that rating.

The area remains attractive to entrepreneurs and professionals across industries. In 2019, go.Verizon.com ranked the City of La Crosse as one of the "Best Small Cities for Small Businesses" in the nation. And Forbes ranked the City of La Crosse as the 50th "Best Small Place for Business and Careers".

La Crosse County employees also continue to receive recognition. Zoning employee, Mari Pietz, our geographic information systems (GIS) coordinator, was declared a winner in two categories of the Wisconsin Land Information Association mapping contest. Her interactive map titled "Census 2020, Completing the Count" won in the Best Public Sector map category. She also won the "Unique" category of maps with a map of a lake in her home county using a felted technique.

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 of Supervisors serves as the legislative and policymaking body of the County. The Board Chairperson, Monica Kruse (elected April 2020), 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.

The current members of the County Board of Supervisors, terms expiring April 2022, are listed below:

- | | | |
|--------------------------------|------------------------------------|------------------------------|
| District 1 - Andrea Richmond | District 11 - Patrick Scheller | District 21 - Vicki Burke |
| District 2 - Ralph Geary | District 12 - Randy Erickson | District 22 - Joe Kovacevich |
| District 3 - Barb Janssen | District 13 - Tina Tryggestad | District 23 - Matt Nikolay |
| District 4 - Maureen Freedland | District 14 - Margaret Larson | District 24 - Kevin Hoyer |
| District 5 - Grant Mathu | District 15 - Monica Kruse | District 25 - David Hundt |
| District 6 - Roger Plesha | District 16 - Dan Ferries | District 26 - Dan Hesse |
| District 7 - Gary Padesky | District 17 - Jack Pogreba | District 27 - Thomas Jacobs |
| District 8 - Peggy Isola | District 18 - Noelle Weber Strauss | District 28 - Karen Keil |
| District 9 - Dawn Wacek | District 19 - Rick Cornforth | District 29 - Jamie O'Neill |
| District 10 - Kim Cable | District 20 - Steve Doyle | |



LA CROSSE COUNTY
Exceptional services. Extraordinary place.

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, 2018. 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.

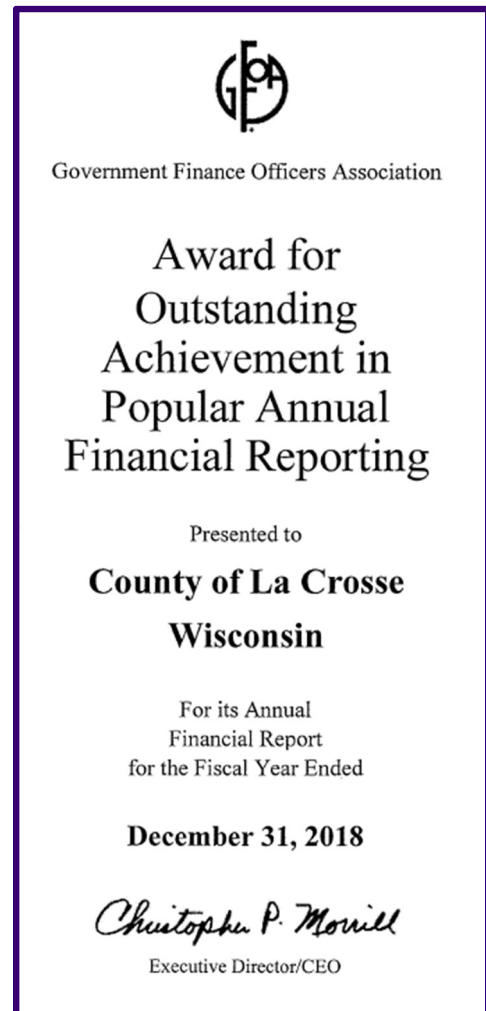
In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

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 five 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 2018, 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 14th 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			
	2019	2018	2017
Net Position			
Assets and Deferred Outflows	\$ 365,952,426	\$ 351,192,695	\$ 335,717,928
Liabilities and Deferred Inflows	183,923,399	178,729,543	172,910,573
Total Net Position	182,029,027	172,463,152	162,807,355
Revenues			
Governmental Activities	\$ 113,979,125	\$ 109,722,923	\$ 103,795,173
Business-type Activities	34,042,750	34,044,669	34,321,069
Total Revenues	148,021,875	143,767,592	138,116,242
Expenses			
Governmental Activities	\$ 106,033,285	\$ 101,231,982	\$ 106,229,736
Business-type Activities	32,422,715	30,928,090	33,577,921
Total Expenses	138,456,000	132,160,072	139,807,657
Capital Assets			
Governmental Activities	\$ 141,735,245	\$ 140,914,926	\$ 141,559,523
Business-type Activities	36,969,202	38,931,379	38,549,932
Total Capital Assets	178,704,447	179,846,305	180,109,455
Long-Term Obligations			
Governmental Activities	\$ 76,505,178	\$ 69,461,052	\$ 71,146,396
Business-type Activities	38,994,726	38,464,927	41,515,900
Total Long-Term Obligations	115,499,904	107,925,979	112,662,296

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	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$ 123,821,017	\$ 122,070,405	\$ 30,301,653	\$ 28,718,828	\$ 154,122,670	\$ 150,789,233
Capital Assets	141,735,245	140,914,926	36,969,202	38,931,379	178,704,447	179,846,305
Total Assets	\$ 265,556,262	\$ 262,985,331	\$ 67,270,855	\$ 67,650,207	\$ 332,827,117	\$ 330,635,538
Deferred Outflows of Resources	24,677,849	14,059,913	8,447,460	6,497,244	33,125,309	20,557,157
Current and other liabilities	\$ 13,535,317	\$ 13,036,935	\$ 3,175,531	\$ 3,181,500	\$ 16,710,848	\$ 16,218,435
Long-Term Liabilities	76,505,178	69,461,052	38,994,726	38,464,927	115,499,904	107,925,979
Total Liabilities	\$ 90,040,495	\$ 82,497,987	\$ 42,170,257	\$ 41,646,427	\$ 132,210,752	\$ 124,144,414
Deferred Inflows of Resources	48,260,520	50,359,359	3,452,127	4,225,770	51,712,647	54,585,129
Net Position:	\$ 151,933,096	\$ 144,187,898	\$ 30,095,931	\$ 28,275,254	\$ 182,029,027	\$ 172,463,152
Net Investment in Capital Assets	\$ 88,984,413	\$ 86,110,257	\$ 13,066,582	\$ 13,492,863	\$ 102,050,995	\$ 99,603,120
Restricted	12,435,462	18,883,813	96,785	2,771,263	12,532,247	21,655,076
Unrestricted	50,513,221	39,193,828	16,932,564	12,011,128	67,445,785	51,204,956
Total Net Position	\$ 151,933,096	\$ 144,187,898	\$ 30,095,931	\$ 28,275,254	\$ 182,029,027	\$ 172,463,152

The largest portion of the County's net position (56.0%) 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.

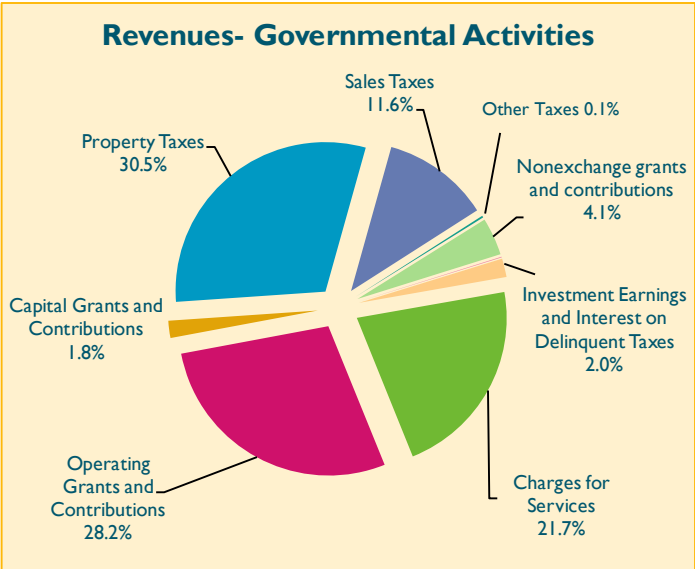
An additional portion of the County's net position of \$12.5 million, or 6.9%, represents resources that are subject to external restrictions as to how they may be used. The remaining balance of unrestricted net position of \$67.4 million, or 37.1%, may be used to meet the County's ongoing obligations to citizens and creditors.

The County's net position increased \$9,565,875 during the current year. This results from an increase in governmental-type activities largely due to additional funds received by the Human Services department from program expansions and increased grant opportunities. Additionally, the Highway department received grant funding specifically for multiple road improvement projects that was not received in the previous year. An increase in business-type activities was mainly due to an increase in net position for Solid Waste, which had a fairly standard year without any large changes in long-term care costs or depreciation expense calculations. The Health Self Insurance Fund experienced a year of growth and its allocation (as a result of being an internal service fund) to the business-type activities added significantly to the overall increase.

Revenues

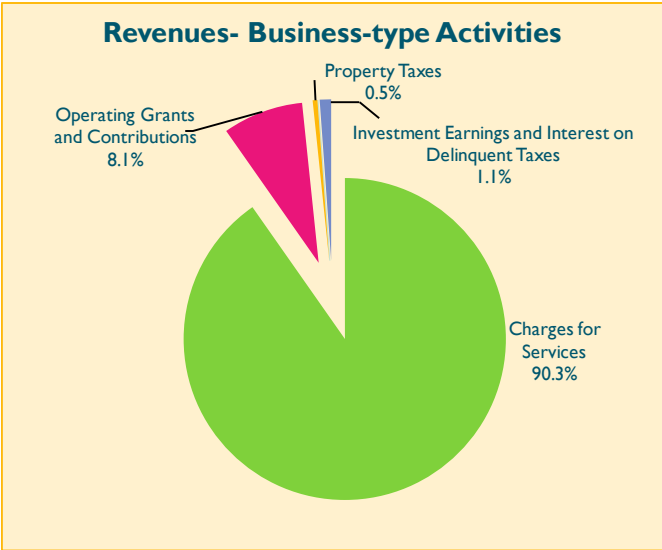
WHERE DOES THE MONEY COME FROM?

Total Revenues - Governmental Activities		
	2019	2018
Program Revenues		
Charges for Services	\$ 24,702,213	\$ 23,589,871
Operating Grants and Contributions	32,087,007	31,861,104
Capital Grants and Contributions	2,095,858	-
General Revenues		
Property Taxes	34,723,713	34,171,629
Sales Taxes	13,183,916	12,927,849
Other Taxes	202,038	53,290
Nonexchange grants and contributions	4,628,167	4,236,691
Gain on disposal of property & equip.	91,997	1,274,213
Investment Earnings and Interest on Delinquent Taxes	2,264,216	1,608,276
Total Revenues- Governmental Activities	\$ 113,979,125	\$ 109,722,923



Governmental activities charges for services increased because the Comprehensive Community Services (CCS) program continued to expand allowing for additional costs to be charged to external sources. Capital grants and contributions increased over the previous year, as public works had several road and bridge projects in 2019 that were eligible for State and other government funding. Gain on disposal of property & equipment decreased due to a one-time sale of land to the City in 2018, with a \$1 million gain, that did not reoccur in 2019.

Total Revenues - Business-type Activities		
	2019	2018
Program Revenues		
Charges for Services	\$ 30,729,654	\$ 30,520,617
Operating Grants and Contributions	2,756,871	3,195,885
General Revenues		
Property Taxes	160,911	154,050
Gain on disposal of property & equip.	5,040	8,925
Investment Earnings and Interest on Delinquent Taxes	390,274	165,192
Total Revenues- Business-type Activities	\$ 34,042,750	\$ 34,044,669



Business-type activities operating grants and contributions decreased largely due to less intergovernmental revenues received by Hillview from the intergovernmental transfer (IGT) and certified public expenditure (CPE) programs.

Investment earnings increased overall across both activity types due to higher interest rates overall on investments as well as shifts in the investment mix.

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.

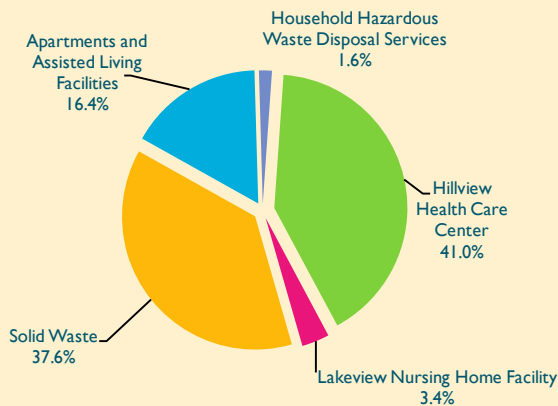
Expenses

WHERE DOES THE MONEY GO?

Total Expenses - Business-type Activities				
	2019		2018	
Hillview Health Care Center	\$	13,308,374	\$	13,947,038
Lakeview Nursing Home Facility		1,096,852		1,093,519
Solid Waste		12,175,043		10,169,621
Apartments and Assisted Living Facilities		5,333,226		5,274,818
Household Hazardous Waste Disposal Services		509,220		443,094
Total Expenses - Business-type Activities	\$	32,422,715	\$	30,928,090

Total Expenses - Governmental Activities				
	2019		2018	
General Government	\$	9,757,576	\$	11,324,080
Public Safety		19,367,187		19,266,507
Public Works		12,377,088		11,318,173
Health and Human Services		56,216,069		51,053,092
Culture, Recreation and Education		3,692,275		3,357,778
Conservation and Development		3,061,333		3,289,331
Interest on Long-Term Debt		1,561,757		1,623,021
Total Expenses - Governmental Activities	\$	106,033,285	\$	101,231,982

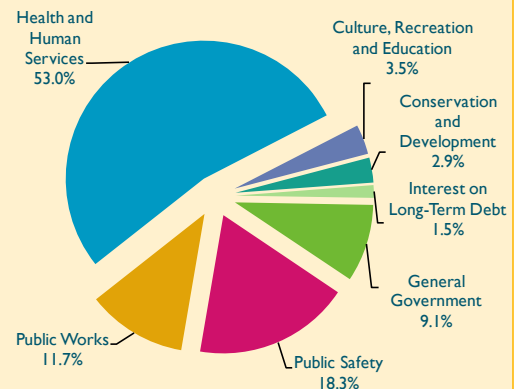
Expenses-Business-type Activities



Business-type activities expenses increased primarily due to Solid Waste depreciation and landfill long term care activity. There were no significant changes in landfill capacity or construction during the year, as there were in recent years, which had created lower depreciation expenses to be recognized for the landfill in those years. Also, in 2018 there was a large positive adjustment for the long-term care due to a recent survey and the construction.

Governmental activities expenses increased in Human Services in part due to the CCS program expansion mentioned above that resulted in an additional \$1 million in client care expense. Additionally, a change in methodology of charging indirect costs increased the amount of expenses recognized in Human Services and decreased the amount of expense in General Government. Public Works expenses increased due to the additional road improvement projects completed that were eligible for external funding.

Expenses- Governmental Activities



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	
	2019	2018	2019	2018	2019	2018
Capital Assets						
Land	\$ 3,646,015	\$ 3,646,015	\$ 943,173	\$ 943,173	\$ 4,589,188	\$ 4,589,188
Land Improvements	4,388,731	4,388,731	39,414,710	39,411,456	43,803,441	43,800,187
Buildings	89,159,208	88,696,313	28,665,292	28,612,247	117,824,500	117,308,560
Machinery and equipment	28,663,363	27,035,417	8,847,259	8,744,260	37,510,622	35,779,677
Infrastructure	117,529,565	112,565,957	-	-	117,529,565	112,565,957
Intangibles	9,257,472	9,323,831	370,695	390,995	9,628,167	9,714,826
Construction in progress	2,095,638	2,629,914	127,823	92,937	2,223,461	2,722,851
Total capital assets	254,739,992	248,286,178	78,368,952	78,195,068	333,108,944	326,481,246
Less:						
Accumulated Depreciation	113,004,747	107,371,252	41,399,750	39,263,689	154,404,497	146,634,941
Total Net Capital Assets	\$141,735,245	\$140,914,926	\$ 36,969,202	\$ 38,931,379	\$178,704,447	\$179,846,305

Within the governmental activities, the most substantial change in capital assets was due to infrastructure additions in the Highway Department for road reconstruction. Additionally, the County acquired the Scenic Mississippi Regional Transit (SMRT) program at the beginning of 2019 and the buses used in that program. An upgrade to a dispatch radio system tower and g11 equipment were completed during the year as well.



Within the business-type activities, there were no significant changes in capital assets during 2019.

Long-Term Obligations

WHAT DO WE OWE?

As of December 31, 2019, the County's long-term obligations totaled \$115,499,904, of which \$82,574,910 was debt outstanding. During the year, the County issued \$2,515,000 of general obligation promissory notes for highway road construction.

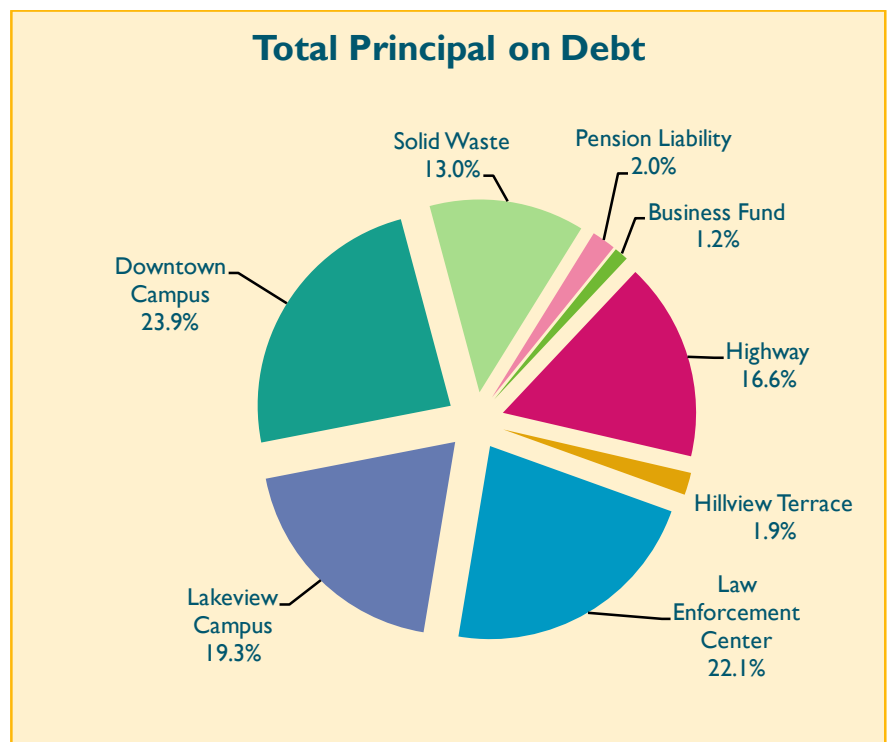
Long-Term Obligations			
	Governmental	Business-Type	
	Activities	Activities	Total
Due within 1 year:			
Compensated Absences	\$ 2,386,631	\$ 533,861	\$ 2,920,492
Bonds and Notes Payable	5,607,650	2,075,836	7,683,486
Landfill Post Closure Costs	26,118	-	26,118
	8,020,399	2,609,697	10,630,096
Due longer than 1 year:			
Compensated Absences	5,034,159	-	5,034,159
Post Employment Benefit Liability	4,468,436	-	4,468,436
Bonds and Notes Payable	49,175,130	25,716,294	74,891,424
Landfill Post Closure Costs	438,454	8,349,474	8,787,928
Net Pension Liability	9,368,600	2,319,261	11,687,861
	68,484,779	36,385,029	104,869,808
Total Long-Term Obligations	76,505,178	38,994,726	115,499,904

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 \$610.



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	\$ 6,020,366
Petty Cash	5,848
Cash on Hand	433,836
Investments	78,964,956
Total	\$ 85,425,006

Investments	
Investment Types:	Fair Value
U.S. Treasury Notes	\$ 3,058,427
U.S. Agency Securities	28,271,285
U.S. Small Business Administration	3,584,733
Corporate Issues	6,825,799
State of WI Local Government Investment Pool	23,105,646
Mutual Funds - other than bond funds	14,119,066
Total Investments	\$ 78,964,956

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				
	2019		2018	
	General Fund	Percentage of Expenditures	General Fund	Percentage of Expenditures
Total Expenditures	\$ 34,813,117	-	\$ 34,974,286	-
Unassigned Fund Balance	23,529,956	67.6%	20,710,833	59.2%
Total Fund Balances	34,865,735	100.2%	32,628,826	93.3%

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, 2019, the ratio is 67.6%. 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. These unassigned reserves are expected to be utilized in 2020 and 2021 to assist with unplanned repercussions due to the COVID-19 pandemic and sales tax and other revenues which will likely be lower than budgeted as a result. This would bring the ratio closer to the policy range.

The General Fund closed out the year with a gain of \$2,236,909. The original budget projected a deficit of \$2,105,209 and the final budget anticipated a loss of \$5,967,916. The actual result was far less due to the realization of \$5,543,358 in total expenditures under final budget and \$2,667,756 in total revenues over final budget.

During 2019, sales tax revenues increased by over \$256,000 and was over \$783,000 higher than was budgeted. The County also received approximately \$154,000 of unexpected revenue from the City of La Crosse for a tax incremental district closure. 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 2019 carried forward funds for completion in 2020. This includes approximately \$165,000 of funds for the Coalition to End Homelessness, 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 \$675,000. Also, various capital outlay projects within the General Fund for parks, major capital and building improvements totaling just over \$425,000 were carried forward to 2019.

Ratios and Trends

HOW ARE WE DOING?

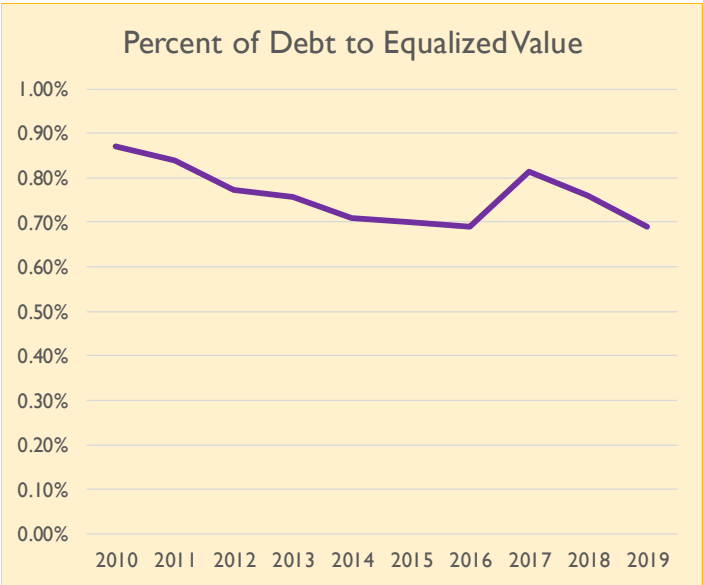
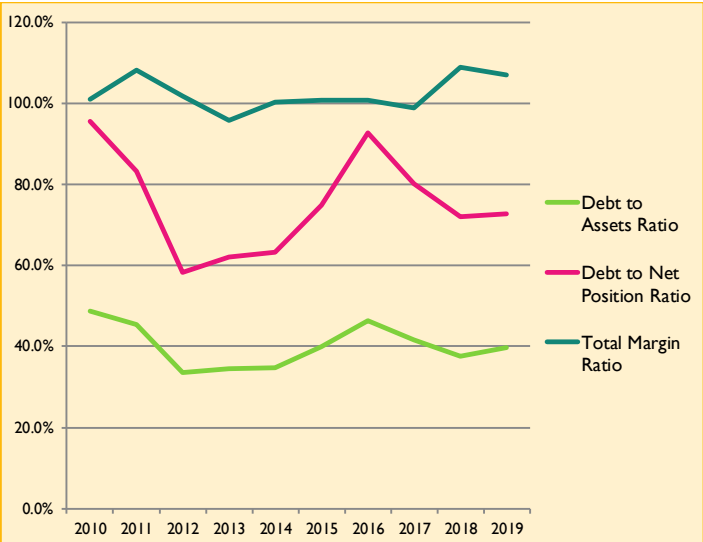
Looking at key financial ratios and trends over several years enables the County to have a clearer picture of where it has been and where it is going.

Primary Government										
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt to Assets Ratio	48.8%	45.4%	33.5%	34.6%	34.8%	40.0%	46.4%	41.7%	37.5%	39.7%
Debt to Net Position Ratio	95.4%	83.2%	58.3%	62.0%	63.2%	74.8%	92.7%	80.0%	72.0%	72.6%
Total Margin Ratio	100.9%	108.1%	101.8%	95.8%	100.2%	100.8%	100.7%	98.8%	108.8%	106.9%

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 prepares sites for housing development projects to replace deteriorated housing within the Powell-Poage-Hamilton, Washburn and Lower Northside and Depot Neighborhoods of the City of La Crosse. In total, from 2016 to 2019 this program has awarded up to \$738,675 in grants to generate at least \$7.44 million in new tax base and 74 new housing units. This program will continue in 2020 and beyond and may continue to consider making additional neighborhoods eligible for funding.



Wisconsin Child Welfare Crisis funding advocacy success

In the face of the nationwide opioid crisis contributing to rising child welfare costs, the La Crosse County Human Services Director, Jason Witt, led the successful advocacy effort to obtain a major increase in funding for Child Protective Services in the 2019-2020 biennial State Budget of \$25.5 million. This increase to the CPS system state-wide means an additional \$731,449 annually for La Crosse County in 2020.

County Highway GI Project

During 2019, design and engineering began on the County Highway GI Project. In 2020, the Highway Department and the Facilities Department have been working with contractors in completion of the project along with improvements to Goose Island Park. The projected cost of this project is \$4,029,000, of which the County has been approved for federal funding of \$2,312,360 from the Federal Land Access Program (FLAP). This project will rehabilitate and widen a stretch of the highway, improve a boat landing, and resurface and widen the roadway leading into the campsite facilities.



CDBG-Close

The County has operated a Community Development Block Grant (CDBG) revolving loan fund since 1997. This loan program has been funded by grants from the US Department of Housing and Urban Development (HUD) passed through the Wisconsin Department of Administration (DOA). The DOA has initiated a process to close all the CDBG funded revolving loan funds across the State with the approval of HUD. These funds will be repurposed into a designated CDBG-Close Grant Fund at the State of Wisconsin for eligible projects within La Crosse County. The amount paid to the DOA in April of 2020 was \$1,457,073. This consisted of the cash balance of \$686,107 and the loan receivable balance of \$770,966. The County will continue to collect on the loan balances, and the funds are not subject to the requirements of HUD or DOA. The Village of Bangor, with assistance from the County, has applied to the State for the grant funds to be used for the reconstruction of County Highway B which runs through the Village.

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.

County Administration and Finance staff expect the County's condition to remain healthy due to conservative budgeting and maintaining strong reserve levels, yet we recognize that our greatest challenges will be: 1) Addressing the negative economic impacts arising out of the COVID-19 recession; 2) Potential for reduced intergovernmental revenues from the State of Wisconsin or federal government; 3) Exposure to enterprise risk through County-owned nursing homes; and 4) Managing the County's overall debt burden.

For the annual highway projects, the County will continue to borrow for unmet road needs, with the 2020 borrowing approved at \$5 million.

Finally, over the next five years the County will avoid the use of additional debt financing for smaller capital projects through use of excess sales tax and reserves or spreading implementation over several years without incurring debt.



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		Percent of Debt		Debt Per Capita
	Bonded Debt	Equalized Value	to Equalized Valuation	Population	
Last Ten Fiscal Years					
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
2019	72,909,382	10,552,445,000	0.69%	119,484	610.20
Projected Next 6 years					
2020	71,619,791	10,816,256,125 *	0.66%	120,081 *	596.43
2021	69,839,368	11,086,662,528 *	0.63%	120,682 *	578.71
2022	67,538,322	11,363,829,091 *	0.59%	121,285 *	556.86
2023	64,992,913	11,647,924,819 *	0.56%	121,892 *	533.20
2024	62,338,811	11,939,122,939 *	0.52%	122,501 *	508.88
2025	59,214,662	12,237,601,013 *	0.48%	123,114 *	480.98

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

COVID 19 PANDEMIC IMPACTS ON LOCAL ECONOMY AND COUNTY FINANCIAL CONDITION

La Crosse County is operating under a declared State of Emergency, due to the COVID 19 pandemic, that was adopted by the County Board on March 20, 2020.

The Public Health Director and the department have shifted nearly 75% of their staffing resources to community response under an incident command model. The Health Department is being assisted by Emergency Management, Law Enforcement, central service departments (including Information Technology), local health providers and emergency responders.

As we closely monitor 2020 actual budget performance, the County has delayed filling vacant positions, wherever possible, and provided temporary furloughs for underutilized employees as we redefined our service model. With the declining economy, we expect that sales tax received will be lower than the prior year and delinquent property taxes may rise. In addition, we are closely evaluating all capital projects scheduled for 2020. We do expect that the majority of COVID related expenses will be reimbursed by federal or state funding, but revenue losses will not be covered.



The conservative budgeting practices and rising fund balances will provide opportunities to cover for revenue losses in the short-term during fiscal 2020 and in preparation of the 2021 budget, while retaining the ability to maintain healthy reserves for cash flow needs. And though it is unclear how long the pandemic induced economic recession will last, La Crosse County remains the economic hub for the region and is an attractive place for investment and enhanced quality of life.



LA CROSSE COUNTY
Exceptional services. Extraordinary place.

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