

## **DEBT SERVICE FUND**

The Debt Service Fund accounts for the payment of principal and interest on general obligation bonds and notes that are backed by the full faith and credit of the City of Beloit. It has been the practice of the City to fund tax increment financing projects through the issuance of general obligation bonds and to abate property taxes with incremental tax revenues. Additionally, the City has sold bond issues that have financed improvements that are to be repaid from Special Revenue and Enterprise Funds. Therefore, Debt Service Fund revenues reflect not only the receipt of property taxes, but also include transfers from the special revenue and enterprise funds.

### **2015 BUDGET SUMMARY - REVENUE/EXPENDITURE BY CATEGORY**

	<b>2011 ACTUAL</b>	<b>2012 ACTUAL</b>	<b>2013 ACTUAL</b>	<b>2014 BUDGET</b>	<b>2014 ESTIMATE</b>	<b>2015 ADOPTED</b>	<b>CHANGE</b>	<b>PERCENT CHANGE</b>
<b>REVENUES:</b>								
TAXES	(\$4,573,523)	(\$4,873,523)	(\$4,445,195)	(\$4,787,928)	(\$4,787,928)	(\$4,800,000)	(\$12,072)	0.25%
INTERGOVT AIDS/GRANT	(\$128,638)	(\$125,309)	(\$69,019)	\$0	\$0	\$0	\$0	0.00%
CASH & PROPERTY INC.	\$1,499	(\$34,454)	(\$26,993)	\$0	\$0	\$0	\$0	0.00%
DEPARTMENTAL EARNINGS	(\$263,350)	(\$263,775)	(\$351,221)	(\$179,800)	(\$179,800)	(\$186,500)	(\$6,700)	3.73%
OTHER FINANCING SRCE	(\$15,831,346)	(\$5,610,375)	(\$14,214,088)	(\$1,612,506)	(\$1,612,506)	(\$1,340,391)	\$272,115	-16.88%
<b>TOTAL</b>	<b>(\$20,795,358)</b>	<b>(\$10,907,436)</b>	<b>(\$19,106,516)</b>	<b>(\$6,580,234)</b>	<b>(\$6,580,234)</b>	<b>(\$6,326,891)</b>	<b>\$253,343</b>	<b>-3.85%</b>
<b>EXPENDITURES:</b>								
DEBT SERVICE	\$16,593,752	\$14,894,053	\$18,771,304	\$6,580,234	\$6,580,234	\$6,326,891	(\$253,343)	-3.85%
<b>TOTAL</b>	<b>\$16,593,752</b>	<b>\$14,894,053</b>	<b>\$18,771,304</b>	<b>\$6,580,234</b>	<b>\$6,580,234</b>	<b>\$6,326,891</b>	<b>(\$253,343)</b>	<b>-3.85%</b>

# DEBT SERVICE FUND

## 2015 Operating Budget

The Debt Service Fund accounts for the payment of principal and interest on general obligation bonds that are backed by the full faith and credit of the City of Beloit. It has been the practice of the City to fund tax increment financing projects through the issuance of general obligation bonds and to abate property taxes with incremental tax revenues. Additionally, the City has sold bond issues that have financed improvements that are to be repaid from Special Revenue and Enterprise Funds. Therefore, Debt Service Fund revenues reflect not only the receipt of property taxes, but also include transfers from the special revenue and enterprise funds.

The City debt service obligation also included general obligation debt issued for the benefit of the City's Tax Increment Increment Financing Districts #8, #10, #11, #12, #13 and #14. The Water Utility, Wastewater Utility and Storm Water Utility issue other debt through revenue bonds. Bonds for the payment of which the full faith and credit of the issuing government are pledged.

As of December 31, 2014, the City's outstanding debt is estimated to total \$52,986,685. The amount represents 72% of the City's legal debt limit of \$73,584,810.

	<u>2014 Adopted</u>	<u>2015 Adopted</u>	<u>Change</u>	<u>% Change</u>
Debt Service Levy	\$4,787,928.00	\$4,800,000.00	\$12,072.00	0.25%

### Estimated Fund Balance January 1, 2015

#### 2015 Revenues

Tax Levy	\$4,800,000
Library Donations	\$186,500
Operating Transfer in TIF #5	\$495,525
Operating Transfer in TIF #6	\$174,890
Operating Transfer in TIF #8	\$120,046
Operating Transfer in TIF #9	\$17,125
Operating Transfer in TIF #10	\$289,562
Operating Transfer in TIF #11	\$94,596
Operating Transfer in TIF #12	\$66,485
Operating Transfer in TIF #13	\$77,288
Fund Balance Applied	\$4,874

<b>TOTAL REVENUES</b>	<b>\$6,326,891</b>
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#### 2015 Expenditures

Principal Corporate Purpose Bonds	\$4,890,024
Interest Corporate Purpose Bonds	\$1,436,867

<b>TOTAL EXPENDITURES</b>	<b>\$6,326,891</b>
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<b>Estimated Fund Balance December 31, 2015</b>	<b>(\$4,874)</b>
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## Long-Term Obligations

Long-term obligations activity for the year ended December 31, 2013 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts due within one year
<b>Governmental Activities</b>					
Bonds and Notes Payable:					
General Obligation Debt					
General	\$50,222,921	\$15,766,100	\$16,149,402	\$49,839,619	\$5,002,286
Premium on debt	\$0	\$423,115	\$33,818	\$389,297	
Sub-totals	<u>\$50,222,921</u>	<u>\$16,189,215</u>	<u>\$16,183,220</u>	<u>\$50,228,916</u>	<u>\$5,002,286</u>
Other Liabilities:					
Compensated Absences					
Sick Leave	\$929,005	\$229,915	\$134,965	\$1,023,955	\$145,837
Vacation	\$1,425,481	\$1,403,236	\$1,425,481	\$1,403,236	\$1,403,236
Other post-employment benefit liability	\$20,930,694	\$5,959,894		\$26,890,588	
Other Debt					
Town of Turtle	\$80,000		\$10,000	\$70,000	\$10,000
Capital Leases					
Payable to component unit	\$20,446,434	\$0	\$2,177,053	\$18,269,381	\$2,320,000
Other capital leases	\$466,990		\$38,549	\$428,441	\$40,166
Total other liabilities	<u>\$44,278,604</u>	<u>\$7,593,045</u>	<u>\$3,786,048</u>	<u>\$48,085,601</u>	<u>\$3,919,239</u>
Total Governmental Activities					
Long -Term Liabilities	<u>\$94,501,525</u>	<u>\$23,782,260</u>	<u>\$19,969,268</u>	<u>\$98,314,517</u>	<u>\$8,921,525</u>
<b>Business - Type Activities</b>					
Bonds and Notes Payable:					
General Obligation Debt					
Revenue Bonds	\$5,225,896	\$861,000	\$1,226,944	\$4,859,952	\$460,601
CWFL revenue bond	\$28,325,000	\$5,745,000	\$6,960,000	\$27,110,000	\$1,295,000
Add/(Subtract) Deferred Amounts For:					
(Discounts)	\$3,267,644	\$0	\$137,760	\$3,129,884	\$141,066
Premiums	(\$237,513)		(\$20,316)	(\$217,197)	
Sub-total	<u>\$36,581,027</u>	<u>\$6,908,235</u>	<u>\$8,362,860</u>	<u>\$35,126,402</u>	<u>\$1,896,667</u>
Other Liabilities:					
Compensated Absences					
Other post employment benefit liability	\$411,883	\$266,538	\$212,876	\$465,545	\$277,235
Sub-total	<u>\$218,006</u>		<u>\$24,100</u>	<u>\$193,906</u>	
Total Business-type Activities					
Long-Term Liabilities	<u>\$37,210,916</u>	<u>\$7,174,773</u>	<u>\$8,599,836</u>	<u>\$35,785,853</u>	<u>\$2,173,902</u>

## GOVERNMENTAL ACTIVITIES GENERAL OBLIGATION DEBT

All general obligation notes and bonds payable are backed by the full faith and credit of the City. Notes and bonds in the governmental funds will be retired by future property tax levies or tax increments accumulated by the debt service fund. Business-type activities debt is payable by revenues from user fees of those funds or, if the revenues are not sufficient, by future tax levies. In accordance with Wisconsin Statutes, total general obligation indebtedness of the City may not exceed five percent of the equalized value of taxable property within the City's jurisdiction. The debt limit as of December 31, 2014, is estimated at \$73,584,810. Total general obligation debt outstanding \$52,986,685.

	Date of Issue	Date Due	Interest Rates	Original Indebtedness	Balance 12-31-14
General obligation promissory notes Series 2006B	5/1/2006	5/1/2016	4.00%	\$639,754	\$155,406
General obligation corporate purpose bonds Series 2007A	6/1/2007	6/1/2027	4.00-4.75%	\$12,070,000	\$1,057,853
General Obligation Debt Series 2008	6/1/2008	6/1/2028	3.75%-4.10%	\$2,260,670	\$1,684,105
General obligation corporate purpose bonds Series 2009	5/28/2009	5/01/209	1.10% - 4.65%	\$7,057,000	\$2,155,000
General obligation refunding Bonds Series 2009	11/5/2009	12/1/2015	2.00-3.25%	\$1,325,363	\$236,496
2011 State Trust Fund Loan	8/1/2011	5/1/2021	3.75%	\$1,500,000	\$1,091,267
General obligation refunding Bonds Series 2011A	10/12/2011	10/1/2025		\$11,080,000	\$8,092,107
General obligation refunding Bonds Series 2011B	12/8/2011	3/1/2025	1.00% - 4.10%	\$4,280,000	\$3,305,000
General obligation refunding Bonds Series 2012A	6/4/2012	3/1/2032	2.00% -3.25%	\$7,130,000	\$6,530,000
2012 State Trust Fund Loan	10/1/2012	3/15/2017	2.50%	\$330,000	\$253,290
2013 State Trust Fund Loan	8/1/2013	3/15/2023	2.75%	\$557,500	\$602,029
General obligation refunding Bonds Series 2013A	2/13/2013	5/1/2027	2.875%-3.00%	\$6,729,000	\$6,591,000
General obligation refunding Bonds Series 2013C	2/13/2013	5/1/2027	0.55%-2.50%	\$885,000	\$840,000
General obligation refunding Bonds Series 2013D	6/13/2013	4/1/2033	2.00%-3.375%	\$7,485,000	\$7,085,000
General obligation promissory notes Series 2014A	5/15/2014	5/1/2024	2.00%-2.40%	\$1,120,000	\$850,000
General obligation corporate purpose bonds series 2014B	5/15/2014	5/1/2034	2.00%-3.50%	\$8,165,000	\$7,777,275
<b>TOTAL GOVERNMENTAL ACTIVITIES - GENERAL OBLIGATION DEBT</b>					<b>\$48,305,828</b>

## BUSINESS TYPE ACTIVITIES GENERAL OBLIGATION DEBT

	Date of Issue	Date Due	Interest Rates	Original Indebtedness	Balance 12-31-14
General obligation promissory notes Series 2006B	5/1/2006	5/1/2016	4.00%	\$595,247	\$144,594
General obligation promissory notes Series 2007A	6/1/2007	6/1/2027	4.00-4.75%	\$820,411	\$77,147
General Obligation Debt Series 2008	6/1/2008	6/1/2028	3.75%-4.10%	\$1,954,330	\$1,455,895
General obligation corporate purpose bonds Series 2009	5/26/2009	5/1/2029	1.10%-4.65%	\$333,000	\$210,000
General obligation refunding Bonds Series 2009	11/5/2009	12/1/2015	2.00-3.25%	\$19,637	\$3,504
General obligation refunding Bonds Series 2011A	10/12/2011	10/1/2025		\$1,378,268	\$1,157,893
General obligation refunding Bonds Series 2012A	6/4/2012	3/1/2032	2.00% - 3.25%	\$110,000	\$110,000
2012 State Trust Fund Loan					\$36,074
General obligation refunding Bonds Series 2013A				\$601,000	\$589,000
General obligation refunding Bonds Series 2013D					\$230,000
2013 State Trust Fund Loan					\$9,025
General obligation promissory notes Series 2014A					\$270,000
General obligation corporate purpose bonds series 2014B					\$387,725
<b>TOTAL BUSINESS TYPE ACTIVITIES - GENERAL OBLIGATION DEBT</b>					<b>\$4,680,857</b>
<b>TOTAL GENERAL OBLIGATION DEBT</b>					<b>\$52,986,685</b>

## REVENUE DEBT

Revenues bonds are payable only from revenues derived from the operations of the responsible proprietary fund.

	Date of Issue	Date Due	Interest Rates	Original Indebtedness	Balance 12-31-14
Water Utility					
Revenue Bonds	1/22/2007	11/1/2028	4.00%-4.50%	\$13,975,000	\$13,495,000
Revenue Bonds	5/28/2009	11/1/2029	3.50%-5.00%	\$3,910,000	\$3,150,000
Revenue Bonds	4/6/2010	11/1/2030	2.00%-4.50%	\$4,025,000	\$3,120,000
Revenue Bonds	2/13/2013	11/1/2019	2.00%-3.00%	\$5,745,000	\$4,795,000
Total Water Utility					\$24,560,000
Storm Water Revenue Bonds	4/6/2010	5/1/2030	1.50%-6.25%	\$1,470,000	\$1,255,000
Sewer Utility Revenue Bonds	5/11/2011	5/1/2031	2.40%	\$3,481,777	\$2,988,818
<b>TOTAL REVENUE BONDS</b>					<b>\$28,803,818</b>