

# 2021

## POPULAR ANNUAL FINANCIAL REPORT



Fiscal Year  
January 1-December 31, 2021



**Beloit**  
WISCONSIN

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## STRATEGIC GOALS

1. Create and sustain safe and healthy neighborhoods.
2. Create and sustain a high performing organization.
3. Create and sustain economic and residential growth.
4. Create and sustain a high quality of life.
5. Create and sustain high quality infrastructure and connectivity.
6. Create and sustain enhanced communications & community engagement, while maintaining a positive image.

The information in the Popular Annual Financial Report (PAFR) provides an overview of the City of Beloit's Operating Budget. The City of Beloit's Comprehensive Annual Financial Report is available at [www.beloitwi.gov](http://www.beloitwi.gov). The PAFR only includes information for the operating budget; the Comprehensive Annual Financial Report includes all enterprise and debt-service funds.

## 2022 CITY COUNCIL

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## MISSION

The City of Beloit's mission is to provide outstanding public service.

# FROM THE CITY MANAGER

June 27, 2022

To the City Council and residents of the City of Beloit, Wisconsin:

It is our pleasure to submit to you the popular annual financial report (PAFR) of the City of Beloit for the fiscal year ended December 31, 2021. Information in this report was obtained from the Comprehensive Annual Financial Report, which is located on the City of Beloit's website at [www.beloitwi.gov/finance](http://www.beloitwi.gov/finance).

The annual budget provides the foundation for the City's financial planning and control. The budget is prepared by fund, function and department. Departmental budgets are prepared by department heads and are submitted each year in July for examination. After review by the Manager and budget committee, the proposed budget is prepared and submitted to the Council for consideration at their first meeting in October. Workshops and a public hearing are held by the Council in October. The Council normally adopts the budget at their first meeting in November for the ensuing fiscal year. Once adopted, transfers among departments or supplemental appropriations require approval of the Council; the manager is authorized to make adjustments within departments. Budget to actual comparisons are provided in this PAFR for the general operating budget.

The City's economy historically and currently remains largely reliant on manufacturing and commercial growth. There have been significant improvements to the local economy and the City remains on a positive path. In December 2021, the City's unemployment rate averaged 3.5%, which was slightly higher than the county and state averages of 2.8% and 3.1%, respectively.

The City's conservative fiscal approach resulted in decreased expenditures in 2021 that more than accommodated short-term revenue losses. Fortunately, the City's large cluster of food processing industries continued to experience strong performance during this period. Several of these industries have even added employees and production lines in response to growing demand. New construction remains high in Beloit, with over two dozen businesses opening and expanding in 2021. New construction projects were completed for ABC Supply Stadium, the new Stateline Boys and Girls Club building, and The Lincoln Academy, as well as other major projects beginning such as Spray-Tek Inc's building in the Gateway.

We continue to remain optimistic about the City's economic future and devote considerable time and resources to economic development. The City currently has five active Tax Increment Districts with land available for development; two TIDs were closed in 2022, which should provide tax relief at the end of the year.

The preparation of the Comprehensive Annual Financial Report and PAFR would not have been possible without the efficient and dedicated service of the entire staff of the Finance and Administrative Services Department. We would like to express our appreciation to all the members of the department who assisted and contributed to the preparation of this report with particular recognition to Dawn DeVall, Director of Accounting/Purchasing, Lisa White, Senior Accountant, Jessica Tison, Budget Analyst, and Sarah Lock, Director of Strategic Communications. Credit is also given to the City Council for their support in maintaining the highest standards of professionalism in the management of the City of Beloit's finances.

Respectfully submitted,

Lori S. Curtis Luther, City Manager

Eric R. Miller, Finance and Administrative Services Director

# ABOUT BELOIT



36,657  
Residents



1400  
Beloit College Students



90  
Industrial Firms



17  
Square Miles



**Beloit was forged in fire and heavy industrial manufacturing**, but we survived the great recession with a renewed spirit. We celebrate a proud legacy of strength, beauty, and diversity. Some of our greatest assets include our world-class riverfront, our charming downtown, the internationally renowned Beloit College and historic residential neighborhoods.

Beloit is located on the southern Wisconsin state line and our Welcome Center near the Interstate 39/90 and I-43 interchange greets over 1,000,000 tourists annually.

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## City Services

The following are just some of the services provided by the City of Beloit:

- Public Safety (Fire & Police)
- Emergency Medical Services
- Solid Waste Collection
- Street Maintenance
- Water, Sewer & Stormwater
- Transit
- Assessor
- Beloit Housing Authority
- Parks, Recreation & Forestry
- Cemetery
- Elections
- Municipal Court
- Community Development
- Economic Development

# BELOIT'S ECONOMY

## 10 Largest Employers

Employer	Product or Service	Employees
Amazon	Warehouse	1,350
Beloit Health System	Medical Services	1,200
Kerry Americas*	Dehydrated Food Product	971
ABC Supply Co.	Roofing, Siding & Building Products	911
School District of Beloit	Public Education Grades K-12	836
Frito-Lay	Snack Foods	600+
Hormel Foods	Canned Meat Products	441
Fairbanks Morse Engines	Diesel Engines & Accessories	440
Hendricks Commercial Properties	Real Estate Investment	425
City of Beloit	Municipal Government	370

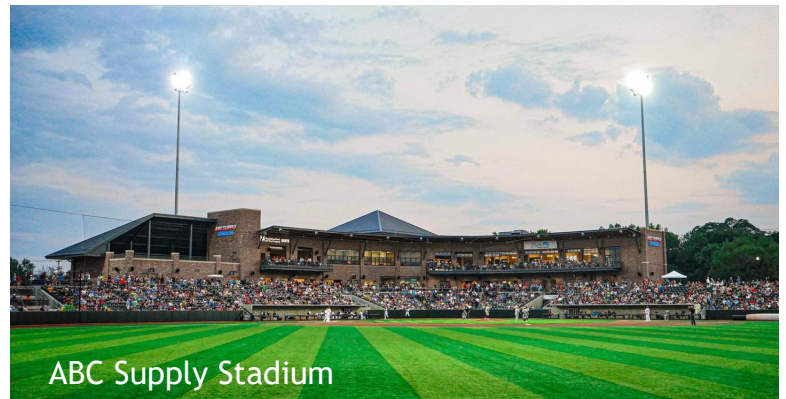
Source: 2021 Greater Beloit Chamber of Commerce. \*Data provided prior to 2020.

## Economic Development Update

**Non-Profit Development:** The Stateline Boys and Girls Club and The Lincoln Academy moved into their new homes in 2021.

**Ho-Chunk Nation Casino & Resort:** Wisconsin Gov. Tony Evers provided his approval to the Nation to build this destination resort in Beloit; final federal approval was announced in May 2022. 1,300 full-time jobs projected upon completion of the project.

**Residential:** The City is experiencing residential growth with over 170 sites completed or under construction in 2021 - both single family and multi-family homes.



ABC Supply Stadium

**ABC Supply Stadium:** The \$35 million privately funded baseball stadium opened in August 2021. This is now the home of the Beloit Sky Carp and provides many other entertainment options to the community.

**Gateway Business Park Celebrates 20 Years:** The Gateway Business Park has been a success since breaking ground in 2001 with 3 million square feet developed on 545 acres, creating 2,800 jobs and resulting in a \$264 million investment in 20 years.

**News Businesses Opened or Expanded:** Over two dozen businesses opened or expanded in Beloit in 2021.

**Spray-Tek Held Groundbreaking:** Spray-Tek Inc. held a groundbreaking in October 2021 for its 75,000 square foot facility in the Gateway Business Park. This is a \$30 million investment.



Spray-Tek Inc under construction in October 2021.

# 2021 BUDGET PERFORMANCE

The general fund budget appropriations totaled \$34,104,140. The final actual expenditures of \$31,137,412 were \$2,966,728 less than the final budget appropriations. The actual revenues and other financing sources were \$32,018,726, which were \$1,915,360 under the budgeted amount.

		Final Budget	Actual	Variance with Final Budget
<b>Revenues</b>				
Taxes		\$ 9,221,961	\$ 9,278,252	\$ 56,291
Intergovernmental		19,889,530	19,951,870	62,340
Licenses & Permits		774,192	753,046	(21,146)
Fines, forfeitures & penalties		820,240	645,032	(175,208)
Fees & service charges		1,319,929	589,585	(730,344)
Rent		49,667	64,287	14,620
Investment Income		533,135	(132,246)	(665,381)
Other		1,325,432	868,900	(456,532)
	<b>Total Revenues</b>	<b>33,934,086</b>	<b>32,018,726</b>	<b>(1,915,360)</b>
<b>Expenditures</b>				
General Government		5,979,334	3,814,189	2,165,145
Community Development		1,372,943	1,453,479	(80,536)
Public Safety		20,938,189	20,554,843	383,346
Public Works		5,813,674	5,314,901	498,773
Other Financing Uses		0	0	0
	<b>Total Expenditures</b>	<b>34,104,140</b>	<b>31,137,412</b>	<b>2,966,728</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>		<b>(170,054)</b>	<b>881,314</b>	<b>1,051,368</b>

Some of the highlights of comparing the final budget to actual for the fiscal year include the following:

- General government expenditures were \$2,165,145 less than budget largely related to reduced costs related to licenses and permits, when compared to the budgeted amount.
- Public Works Department expenditures were \$498,773 less than budget due to the reduction in administration and engineering costs, as well as a decrease in recreational expenditures.
- Fees and service charges collected related to recreation were \$222,636 less than budgeted related to many of these activities still being closed in 2021 due to COVID-19.
- Fines, forfeitures and penalties were \$175,208 less than budget largely due to decreased fines collected for traffic and non-traffic related offenses and parking violations.
- Investment income was \$666,381 less than budgeted due to unfavorable market conditions and low interest rates during 2021.

# PROPERTY TAXES

The City of Beloit bills all property taxes and is responsible for allocating tax payments between the various governmental entities represented on the tax statement. The city's property taxes are collected by and remitted to the City by the Rock County Treasurer's office. For every dollar of property taxes collected, \$.37 goes to the City of Beloit.



City of Beloit  
37¢



School District  
of Beloit  
38¢



Rock County  
21¢



Blackhawk Tech  
4¢

## 2020 Property Tax Bill Info

### City of Beloit

- Tax levy: \$16,414,613, an increase of \$435,046 over the previous year\*. The general fund levy portion increased by \$847,290.
- Tax rate: \$11.57, an increase of \$0.237 per \$1,000 of assessed value, or 2.09% from the previous year.

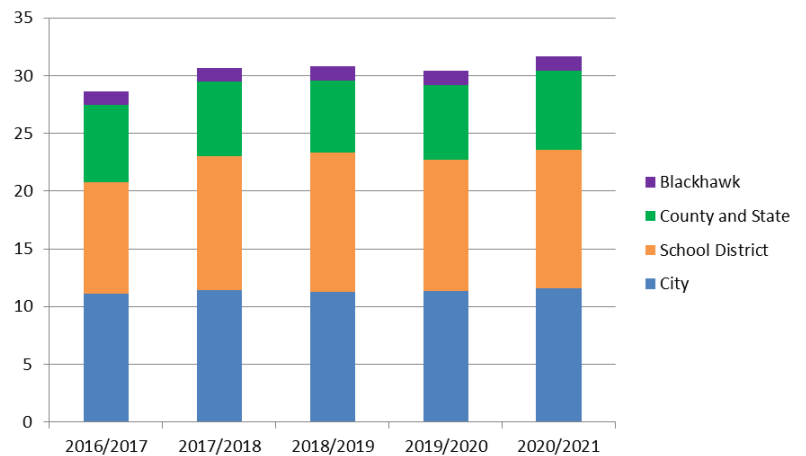
### Other taxing entities

- School District of Beloit tax rate: \$12.01; up \$0.621 per \$1000 of assessed value, or 5.45% from the previous year.
- Rock County tax rate: \$6.803; increased by \$.32 per \$1,000 of assessed value, or 4.94%.
- Blackhawk Tech tax rate: \$1.289; increased by \$.058 per \$1,000 of assessed value, or 4.71%.

The state retained the same formula for calculating the property tax levy limit, which remains flat or the percent increase in net new construction, whichever is greater.

*\*Note: the tax rate is set in the fall with billing starting in 2020 and collections completed in 2021.*

## Combined Tax Rate Net of School Tax Credit

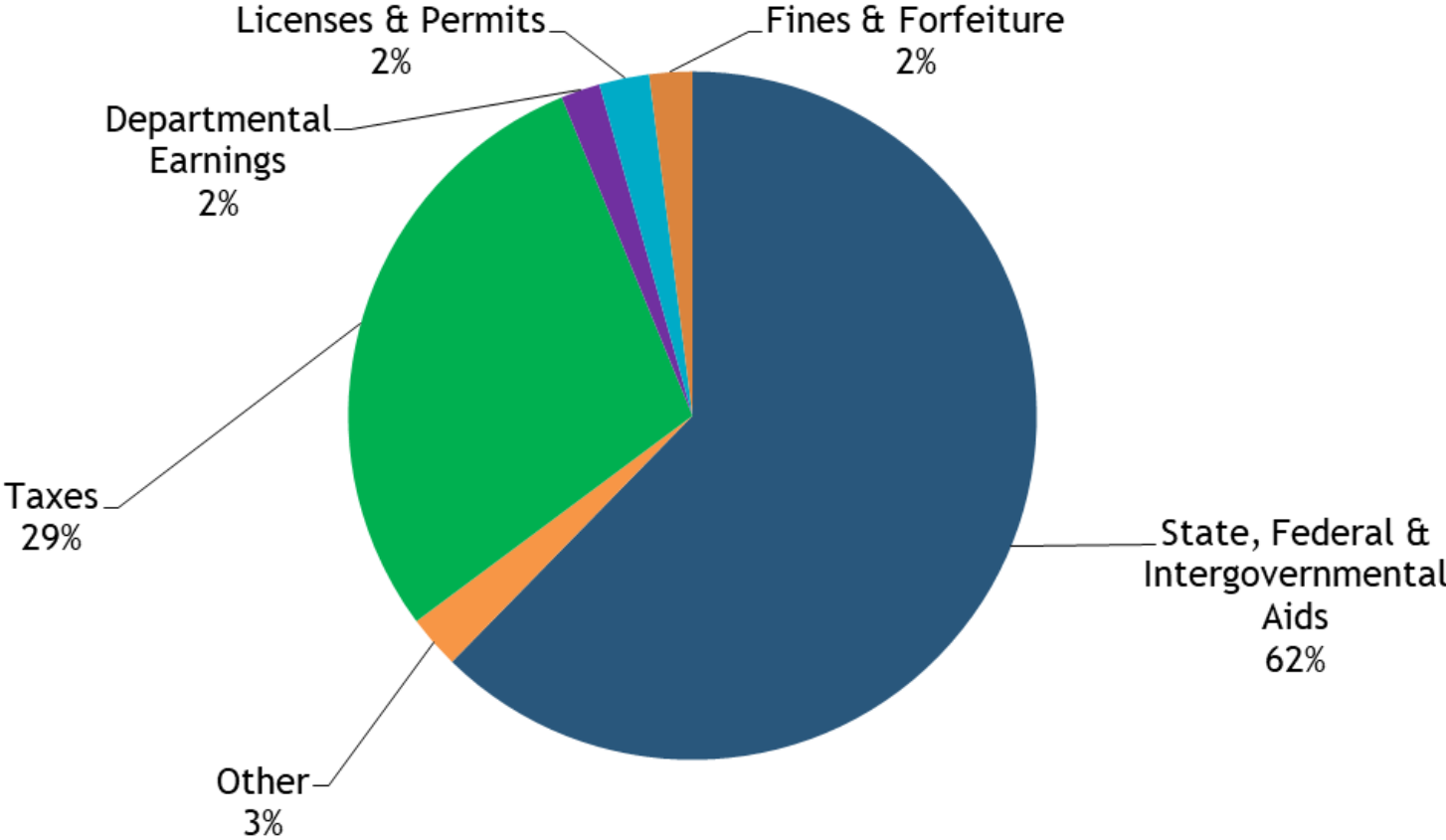


2020 Net New Construction:  
**1.95% Increase**



# REVENUES: WHERE IT CAME FROM

The City receives substantial funding for its general government services from state and federal sources. In 2021, \$19.95 million of the general fund budget was supported by state and federal aid: this represents 62% of general fund revenues. Municipal aid payments from the State of Wisconsin comprise the largest single source of the City’s state and federal aid. The largest local source of revenue for the City’s general fund is property tax.



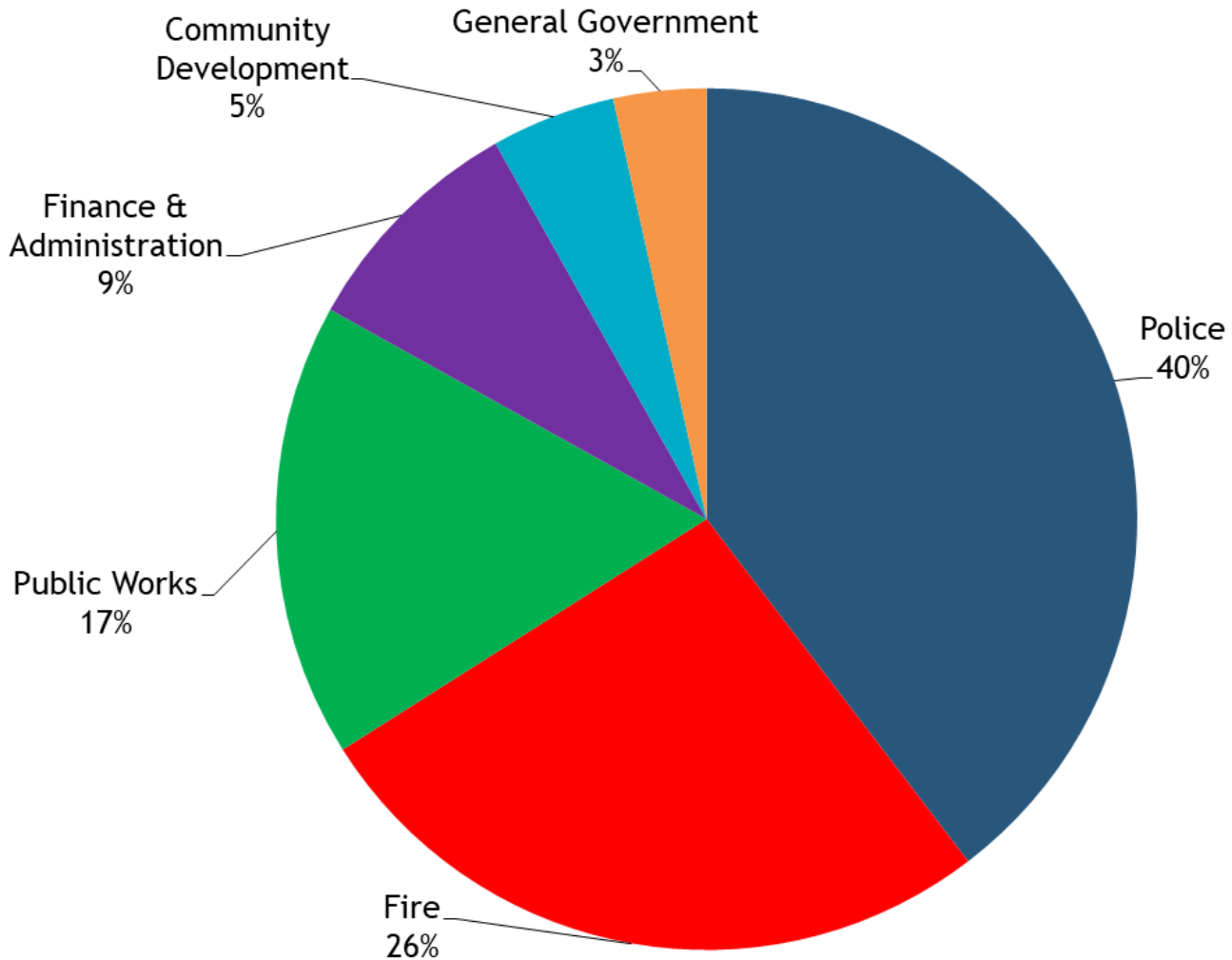
**2021 Revenue Sources**

	<b>Amount</b>
State, Federal & Intergovernmental Aids	\$19,951,870
Taxes	\$9,278,252
Other	\$800,941
Departmental Earnings	\$589,585
Licenses & Permits	\$753,046
Fines & Forfeiture	\$645,032



# EXPENDITURES: WHERE IT WENT

The 2021 general fund actuals totaled \$31,137,412, which increased \$332,798 or 1.1% compared to the 2020 budget actuals. The budget provides funding for all major programs and service levels. Public safety accounts for the majority of the general fund budget at \$20.5 million or 66% of the budget.



## 2021 Expenditures

	Amount
Police	\$12,333,047
Fire	\$8,221,796
Public Works	\$5,314,901
Finance & Administration	\$2,729,551
Community Development	\$1,453,479
General Government	\$1,084,638

# FUND BALANCE

Fund balance shows the City of Beloit's overall financial health. For the fiscal year 2021, the city's fund balance for the general fund equaled \$16,100,157. **87% of the total fund balance, or \$14,001,286 is unassigned fund balance, which is a sign of strong financial health.** There are three categories for fund balance: nonspendable (not in spendable form), assigned (intended for a specific purpose) and unassigned. Unassigned includes residual positive fund balance that has not been classified within the other categories.

# AA-

Preserving the fund balance affects everything from the ability to cover operating expenses during periods of reduced cash flow, to preserving or improving the City's AA- bond rating (Standard & Poor's). Our bond rating was increased in early 2020 from an A+ to a AA-, which helps the city be able to borrow at a lower interest rate.

