

2023

POPULAR ANNUAL FINANCIAL REPORT



PHOTO CREDIT: VISIT BELOIT

Fiscal Year
January 1-December 31, 2023



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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. The PAFR only includes information for the operating budget; the Comprehensive Annual Financial Report includes all enterprise and debt-service funds.

2024 CITY COUNCIL

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MISSION

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

FROM THE CITY MANAGER

July 30, 2024

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, 2023. 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.

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 2023, the City's unemployment rate averaged a low of 3.7%, which was slightly higher than the county and state averages of 3.1% and 2.9%, respectively.

Tax Increment District No. 15 was created in June 2023 and encompasses many of the remaining parcels that were in TID No. 10 that closed in 2022. TID No. 8, 9, 11 and 13 were all closed in 2023 after being extended by one year in order to take advantage of TIF statutes, which allow for the final year of increment to be used for housing. These funds added a significant boost to the development of both market rate and affordable housing in the City.

We continue to remain optimistic about the City's economic future and devote considerable time and resources to economic development. At the end of 2023, the City had two active Tax Increment Districts with plans to strategically create more as opportunities arise.

The preparation of the Annual Comprehensive 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 DeuVall, Director of Accounting/Purchasing, Lisa White, Senior Accountant, Jessica Tison, Budget Analyst, Sarah Lock, Director of Strategic Communications, and City Management Intern Alfonso Sagastegui. 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,

Jerry R. Gabrielatos, City Manager

Eric R. Miller, Finance and Administrative Services Director

ABOUT BELOIT



36,674
Residents



950
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.

The City of Beloit prides itself on its diversity. According to the 2022 U.S. Census population estimate, the residents are:

- White alone: 64.1%
- Black or African American alone, 13.1%
- Two or more races, 13.4%
- Asian alone, 1.1%
- American or Alaska Native alone, 0.4%
- Hispanic or Latino, 21.5%
- White alone, not Hispanic or Latino, 59.1%

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

2023 BUDGET PERFORMANCE

The general fund budget appropriations totaled \$36,416,132. The final actual expenditures of \$35,025,740 were \$1,390,392 less than the final budget appropriations. The actual revenues and other financing sources were \$35,390,262 which were \$775,870 under the budgeted amount.

The city remains in a sound financial position.

	Final Budget	Actual	Variance with Final Budget
Revenues			
Taxes	\$ 11,113,472	\$ 11,025,139	\$ (88,333)
Intergovernmental	20,151,067	20,215,082	64,015
Licenses & Permits	837,918	745,674	(92,244)
Fines, Forfeitures & Penalties	790,000	593,635	(196,365)
Fees & Service Charges	1,087,459	749,543	(337,916)
Rent	57,967	81,205	23,238
Investment Income	771,910	1,254,339	482,429
Other	1,356,339	725,645	(630,694)
Total Revenues	36,166,132	35,390,262	(775,870)
Expenditures			
General Government	5,929,600	4,606,229	1,323,371
Community Development	1,650,153	1,653,848	(3,695)
Public Safety	22,124,926	22,057,356	67,570
Public Works	6,711,453	6,708,307	3,146
Other Financing Uses	0	0	0
Total Expenditures	36,416,132	35,025,740	1,390,392
Excess (deficiency) of revenues over (under) expenditures	(250,000)	364,522	614,522

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

- General government expenditures were \$1,323,371 less than budget largely related to reduced costs related to financial management, when compared to the budgeted amount.
- Other general revenue was under budget by 630,694 primarily related to primarily related to unrealized donations, sale of city scrap, and miscellaneous revenues.
- Fines, forfeitures and penalties were \$196,365 less than budget largely due to decreased fines collected for traffic and non-traffic related offenses and parking violations.
- Public safety came under budget by 67,570 mostly due to vacancies throughout the year in the Police and Fire Departments.
- Investment income was \$482,429 more than budgeted due to favorable market conditions during 2023.

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, \$.43 goes to the City of Beloit.



City of Beloit
43¢



School District
of Beloit
27¢



Rock County
25¢



Blackhawk Tech
.05¢

2022 Property Tax Bill Info

City of Beloit

- Tax levy: \$19,174,172, an increase of \$1,748,435 over the previous year*. The general fund levy portion increased by \$1,343,631.
- Tax rate: \$7.722, a decrease of \$4.648 per \$1,000 of assessed value, or 37.57% from 2021.

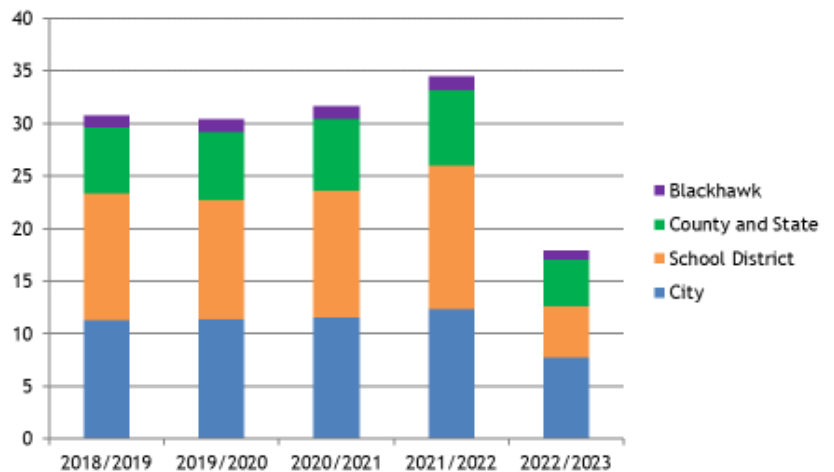
Other taxing entities

- School District of Beloit tax rate: \$4.904; down \$8.701 per \$1,000 of assessed value, or 63.95% from the previous year.
- Rock County tax rate: \$4.406; decreased by \$2.768 per \$1,000 of assessed value, or 38.55%.
- Blackhawk Tech tax rate: \$.870; decreased by \$.478 per \$1,000 of assessed value, or 35.46%.

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 2022 and collections completed in 2023.

Combined Tax Rate Net of School Tax Credit

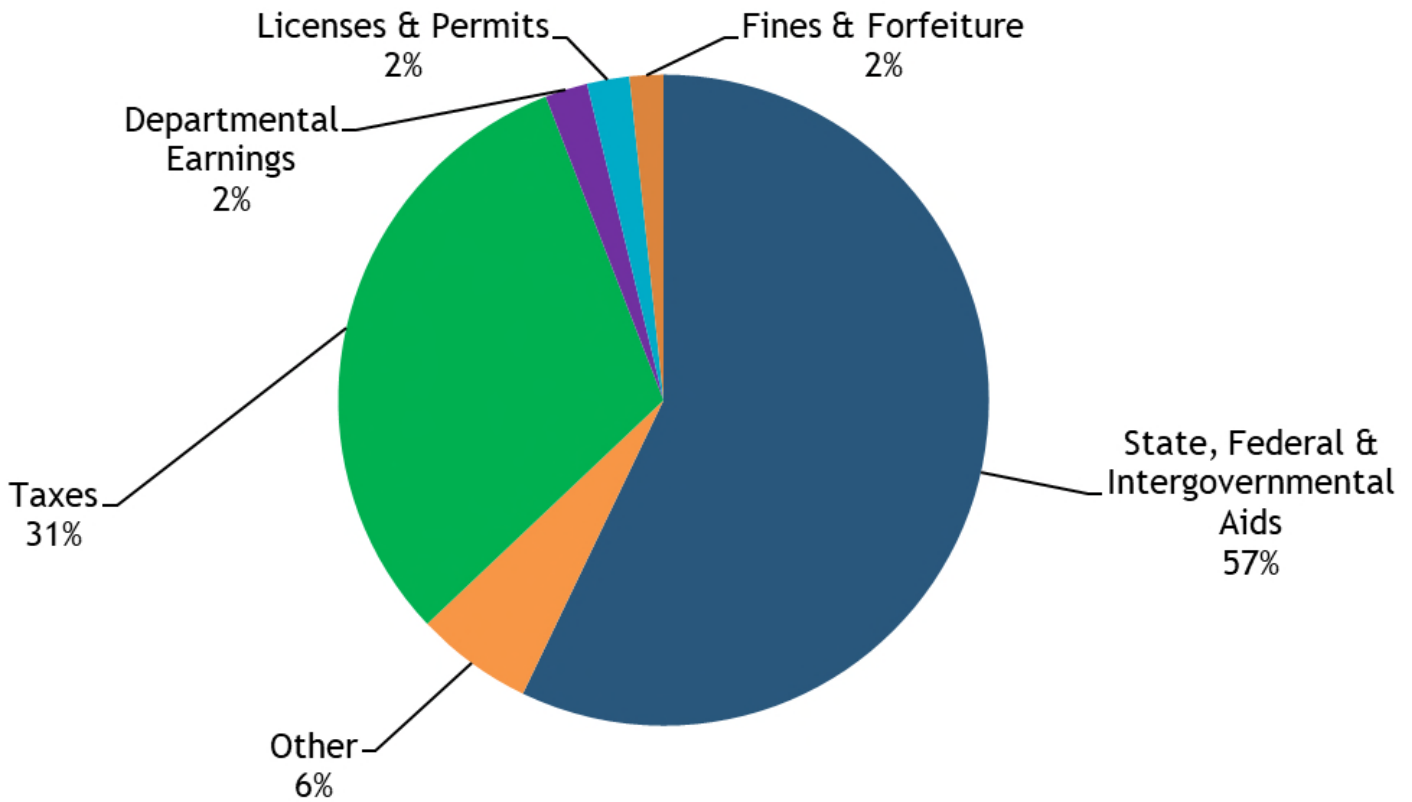


2022 Net New Construction:
0.649% Increase



REVENUES: WHERE IT CAME FROM

The City receives substantial funding for its general government services from State and Federal sources. In 2023, \$20 million of the General Fund budget was supported by State and Federal aid: this represents 57% 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.

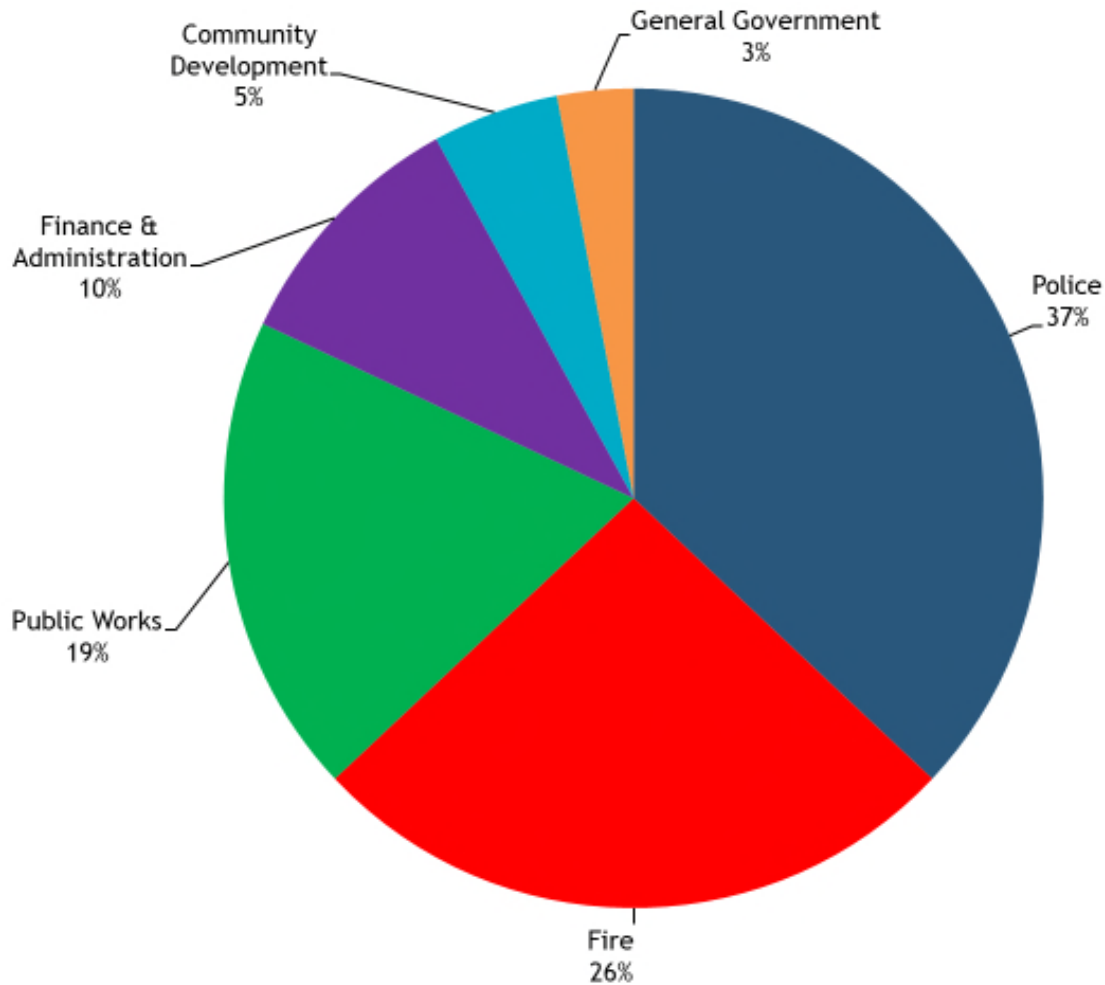


2023 Revenue Sources

Revenue Source	Amount
State, Federal & Intergovernmental Aids	\$20,215,082
Taxes	\$11,025,139
Other	\$ 2,061,186
Departmental Earnings	\$749,543
Licenses & Permits	\$745,674
Fines & Forfeiture	\$593,635

EXPENDITURES: WHERE IT WENT

The 2023 General Fund actuals totaled \$35,025,740, which increased by \$2,481,815 or 7.62% compared to the 2022 General Fund actuals. The budget provides funding for all major programs and service levels. Public safety accounts for the majority of the general fund budget at \$22 million or 63% of the budget.



2023 Expenditures

	Amount
Police	\$13,073,638
Fire	\$8,983,718
Public Works	\$6,708,307
Finance & Administration	\$3,437,821
Community Development	\$1,653,848
General Government	\$1,168,948

FUND BALANCE

Fund balance shows the City of Beloit's overall financial health. For the fiscal year 2023, the city's fund balance for the general fund equaled \$17,818,244. **89% of the total fund balance, or \$15,937,913 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.

